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TODAY: STAGE A New Boris Godunov, Page 12

Europe Tackles The Big Shift to A Single Money

Difficulty of '99 Changeover Stirs a 'Panic' as Companies Spend Millions to Get Ready

By Tom Buerkle
International Herald Tribune

LONDON — A group of bankers scheduled a meeting with the Bank of England last month to discuss technical preparations for the introduction of Europe's single currency, expecting about 20 experts to attend. They scrambled for chairs when 95 showed up.

Across Europe and around the world, bankers and corporate executives are fast waking up to the realization that economic and monetary union is barely one year away and that the launch of the euro, as the single currency will be called, will demand costly and far-reaching changes in the way they do business.

"There's that whiff of panic in the air," said Graham Bishop, an economist at Salomon Smith Barney and chairman of the European monetary union committee of the London Investment Banking Association. "People suddenly realize they've got to have everything ready to go."

COUNTDOWN TO THE EURO
1999

Banks and companies will have to modify everything from computer systems to billing and payroll forms to accept the euro as well as existing national currencies over three years, or until 2002, when countries participating in the euro are to abandon their national currencies.

The task is more complicated and expensive than solving the year 2000 computer problem, which for all its complexity requires only a one-time fix. What's more, the close proximity of the two problems has triggered a rush for information technology experts, driving up salaries for computer programmers by as much as half in the past year.

Analysts estimate the euro bill for European industry alone at a minimum of $80 billion, more than half of which will be spent on computer services. Companies around the world that trade with or invest in Europe will need to spend tens of billions more to prepare for the single currency.

That counts only direct transition costs. The elimination of national currencies will make it much easier for consumers to compare prices across borders, a fact that executives say will force the prices of their goods and services down toward the lowest levels prevailing in Europe.

"It's going to squeeze margins very substantially," said Vicky Pryce, chief economist at KPMG Management Consulting.

The costs may be daunting, but most major European companies are not complaining. They figure that the euro is inevitable, and enterprises that are prepared to deal in the currency from Jan. 1, 1999, will gain a competitive advantage over their rivals.

That is particularly true in banking, the industry most affected by a change in money.

Banque Nationale de Paris is spending 1.5 billion French francs ($252.4 million) — 10 times its year 2000 budget — to modify everything from its securities trading systems to customer checking accounts in order to give all of its customers the option of dealing in either francs or euros from 1999. BNP expects many large corporations and bond markets to make the switch almost immediately, but its research also indicates that 10 percent of retail customers will want to shift their accounts into euros in 1999, a conversion the bank plans to make free of charge.

"We will have to offer both means of payment to all of our customers for three and a half years," said Jean-Francois Colin, the senior vice president who is coordinating the bank's efforts. "The only way to recover the costs is to get market share."

Dresdner Bank AG in Frankfurt views the euro as an opportunity to invest in long-term improvements. It will spend up to 300 million Deutsche marks ($168.8 million) to modernize its data-handling and electronic payments systems.

"We're not moaning and complaining about it," said Klaus Friedrich, chief economist at the bank. "We're hoping to make some money out of this."

Some non-European banks and financial services companies appear to be taking a more relaxed view of the transition. At Daiwa Europe,

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Mandela Gives a Militant Farewell to the ANC

Adil Bradlow/The Associated Press

Thabo Mbeki, left, conferring with Nelson Mandela on Tuesday at the ANC meeting. Mr. Mbeki is succeeding Mr. Mandela, who gave a militant speech, as head of the party. Page 6.

ASEAN Chiefs See No Solution

'We Are Victims,' Mahathir Says as Free Fall Continues

By Thomas Fuller
International Herald Tribune

KUALA LUMPUR — Asian leaders wrapping up a meeting here that was meant to restore confidence in their economies failed again Tuesday to stop the free fall of the region's currencies, four of which hit record lows.

A normally feisty and combative Malaysian prime minister, Mahathir bin Mohamad, reflecting the inability of Southeast Asian leaders to solve the crisis after three days of talks here, said: "We are not in a position to do anything. We are just the victims."

He added, "When you are up against forces that you can't fight against, there is little you can do."

South Korea, however, showed signs of recovery Tuesday as the won surged 14 percent after the government let the currency float.

Southeast Asian nations hoping to see Japan take a more active role in helping solve the crisis were told instead that Tokyo needed to deal with its own problems. Prime Minister Ryutaro Hashimoto said in strong language that Japan could no longer steer Asia as it had in previous years.

"It's most important that Japan steady itself," Mr. Hashimoto said. "This is not just my view, but the view expressed by all the other leaders. We shall never at any cost allow Japan to be the source of worldwide recession."

On Monday, Mr. Mahathir and his counterparts in the region called on the West for assistance in resolving the turmoil, saying that a concerted worldwide

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The Changing Calculus of Asia

The Desire for Democracy Challenges the Old Order

By Keith B. Richburg
Washington Post Service

KUALA LUMPUR — In Taiwan last month, the governing Nationalist Party suffered its biggest defeat in local elections, presaging a possible loss of power in next year's national elections for a new Parliament.

In South Korea, meanwhile, opinion polls show a veteran pro-democracy campaigner and longtime political outsider has his first real shot at power in elections this week.

In the Philippines, a revived "people power" movement and vociferous media criticism forced President Fidel Ramos to abandon thoughts of running for another term, while in Thailand, popular protests and media pressure forced an unpopular prime minister, Chavalit Yongchaiyudh, to relinquish his office last month and retire to the political sidelines.

Even in tightly controlled Indonesia — where general elections are still derisively called "elections of generals" — there are discernible stirrings of discontent and change. President Suharto is set to be anointed next year to a seventh consecutive five-year term, but there is already open talk about the "post-Suharto era."

The question now, say Indonesian analysts and journalists, and foreign diplomats there, is not whether the vast archipelago will democratize, but at what pace and in what manner.

For most of the last three decades, East Asia has been known largely as a region of miraculous economic growth but stilted political development, with most countries led by military regimes, autocratic

See ASIA, Page 4

Economic Miracle's End Alters Foreign Policies

By Steven Mufson
Washington Post Service

SEOUL — The swift disintegration of the Asian economic miracle is changing the calculus of Asian international relations.

Talk about China's great power aspirations, Korean reunification, Japanese recovery and rejuvenation has ended as government leaders here concentrate on how to hang onto some of the economic gains they made in recent years.

And Beijing has twice played down its emphasis on isolating Taiwan to let Asian nations court investment from the cash-rich island and bring more stability to the region's markets.

"This will prove a very trying and angry time for leaders who are reeling from events they can neither comprehend nor manage," said Jonathan Pollack, an Asian politics expert at the Rand Corp. "Geopolitics, though not exactly on hold, will take a back seat for now."

"And regional expectations of U.S. leadership," including financial support, he said, "are likely to rise unrealistically."

Korea provides a prime example of the sudden change in foreign policy priorities here in Asia. Just earlier this year, South Korea was contemplating a major role in North Korea, including billions of dollars of aid for famine relief and economic development in return for a more open and less hostile north. Now such a role — much less a more costly reunification between the two halves of the peninsula — is unthinkable.

See POLICY, Page 4

Clinton Praises Opening by Iran

Khatami's Move to Improve Ties Leaves the President Encouraged

By Brian Knowlton
International Herald Tribune

WASHINGTON — President Bill Clinton on Tuesday called Iran "a country with a great history" and said, in unusually conciliatory comments, that he was encouraged by a recent opening from the Iranian president and hoped that dialogue could resume.

Mr. Clinton's comments on Iran followed a call Sunday by the Iranian president, Mohammed Khatami, for a "thoughtful dialogue" with Americans, an opening that U.S. officials clearly are intent to explore.

The president said that by electing Mr. Khatami in May, Iranian voters "seemed to be sending a signal that they wanted a more open society, and I was quite encouraged by his remarks."

Replying in kind to Mr. Khatami, but careful to speak to the Iranians rather than their government, Mr. Clinton said: "I have always said from the beginning that it was tragic that the United States was separated from the people of Iran. It's a country with a great history."

Americans, he said, "have been greatly enriched by Iranian, by Persian culture."

Mr. Clinton reiterated, however, that the United States held serious reservations about Iran's support of terrorism, its efforts to disrupt the Middle East peace process, and its moves to build an arsenal of weapons of mass destruction.

Administration officials, Mr. Clinton said, were discussing how to respond to the Iranian gesture, and added, "No decision has been made."

The president, speaking in a formal news conference, also said he was "very encouraged" by efforts that South Korea had made to confront its financial crisis.

He insisted, however, that any further U.S. assistance to ravaged Asian economies should come within a framework established last month in Manila.

Mr. Clinton also:

- Conspicuously failed to give unqualified public support to Louis Freeh, the director of the FBI, who publicly criticized the attorney general, Janet Reno, for deciding not to appoint a special prosecutor to investigate campaign funding irregularities involving the White House.
- Said he would meet Prime Minister Benjamin Netanyahu of Israel early next year and denied he had recently refused to hold talks with him.

Mr. Clinton said there had been no "calculated decision to snub the people of Israel or the government of Israel."

"I simply wouldn't do that," he said, adding, "I expect that we will have a meeting early next year, a sixth meeting, to discuss where we are and where we are going."

Although France, Russia and some other countries have sought to normalize trade relations with Iran, U.S. officials remain wary of dealings with the Iranian government, in part because, for

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Albright Urges NATO to Fight Arms of Mass Destruction

By William Drozdiak
Washington Post Service

BRUSSELS — The U.S. secretary of state, Madeleine Albright, urged the NATO alliance on Tuesday to recognize the spread of nuclear, biological and chemical weapons in the Middle East and Eurasia as its most pressing strategic priority in the post-Cold War era.

Citing the proliferation of such weapons as "the most overriding security interest of our time," Mrs. Albright told NATO foreign ministers here at their annual meeting that the struggle to keep weapons of mass destruction from falling into the wrong hands should be seen as the new "unifying threat" that binds the alliance in the 21st century.

Much of the meeting was devoted to pondering the fate of the NATO-led peacekeeping force in Bosnia-Herzegovina, whose mandate expires in June.

While President Bill Clinton has refrained from making a final decision about keeping U.S. troops there, the ministers here were unanimous on the need to maintain an international presence. Mr. Clinton and congressional leaders will visit Bosnia next week to assess the situation (Page 10).

Mrs. Albright's warning reflected the U.S. frustration at sustaining an international coalition against the refusal by

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Benoit Doppagne/Reuters

Mrs. Albright talking with Robin Cook, British foreign minister, center, at the NATO meeting in Brussels on Tuesday, as Ismail Cel of Turkey listened. Behind them, from left, were Jacques Poos of Luxembourg, Hans van Mierlo of the Netherlands and Knut Vollebaek of Norway.

The Dollar		
New York	Tuesday @ 4 P.M.	previous close
DM	1.7804	1.776
Pound	1.6955	1.6335
Yen	130.77	130.77
FF	5.9659	5.9495

The Dow		
change	Tuesday close	previous close
+53.72	7976.31	7922.59

S&P 500		
change	Tuesday @ 4 P.M.	previous close
+4.65	968.04	963.39

Newsstand Prices			
Andorra	10.00 FF	Lebanon	11. 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1.600 CFA	Qatar	10.00 QR
Egypt	EE 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1.100 CFA	Senegal	1.100 CFA
Italy	2,800 Lire	Spain	225 Ptas
Ivory Coast	1.250 CFA	Tunisia	1.250 Din
Jordan	1.250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20

Skeptical Ayatollah Faces Treason Charge

By Douglas Jehl
New York Times Service

QUM, Iran — Clerical authorities are hinting that they intend to press treason charges against Ayatollah Ali Montazeri, a prominent theologian who challenged the credentials of Iran's religious leadership, signaling that they will not yield any of their power despite the hopes raised last spring when a moderate was elected president.

A prominent theologian in this holy city of Qum, Ayatollah Montazeri issued the challenge by questioning the credentials of an old rival who now leads the religious establishment.

Ayatollah Montazeri once seemed destined to become the country's top religious leader, but he fell from favor when he criticized the harsh treatment of political dissidents. Although he still has many followers, he has been shunned by the establishment and all but ignored by the country's official media.

His challenge in November set off days of demonstrations here and across Iran as conservative Iranians rallied behind his rival, Ayatollah Sayed Ali Khamenei, now the supreme leader.

Iran's Clerics Signaling They Will Keep Power

Ayatollah Khamenei and his allies have since directed their supporters to end the protests, perhaps hoping to veil signs of internal tensions at least during the recent summit meeting of Islamic countries in Tehran.

But they have also indicated that they intend to try Ayatollah Montazeri on treason charges. Some of their criticisms have been echoed even by backers of President Mohammed Khatami, the more-moderate cleric whose overwhelming victory in national elections may have emboldened critics of the establishment.

Conviction of treason carries a maximum penalty of death, and its very mention appears intended to drive home the message that no one should dare threaten the supremacy of Ayatollah Khamenei, 58.

He was appointed in 1989 to succeed Ayatollah Ruhollah Khomeini, the architect of the Islamic revolution 10 years earlier that overthrew the shah and turned the country into a Shiite Muslim theocracy.

"I think people who had the wrong interpretation of the presidential election have now been proven wrong," Grand Ayatollah Nasser Makarem Shirazi, 70, one of Iran's most respected clerics, said in an interview in his office here.

At a news conference in Tehran on Sunday, Mr. Khatami appeared to take a softer line toward dissidents than does Ayatollah Khamenei, who said they would be tried for challenging his authority.

"Views should be presented in the formula of law, and no rebellion or anarchy should be introduced in the world," Mr. Khatami said when he was asked about the challenge raised by Ayatollah Montazeri. "If some people have taken extreme action, this is forgivable, and I would hope views could be presented within the law."

Among remarks by Ayatollah Montazeri that were circulated here last month were suggestions that Ayatollah Khamenei lacked the religious credentials to exercise authority properly in his

See IRAN, Page 10

AGENDA

No Change Made in U.S. Interest Rates

WASHINGTON (AP) — Caught between a thriving economy at home and fragile financial markets overseas, Federal Reserve Board policymakers played it safe Tuesday and left short-term U.S. interest rates unchanged. The move reflected the central bank's overriding concern that Asia's currencies not weaken further against the dollar, analysts said.

U.S. markets responded positively, with stocks extending their recovery and bond prices rising on expectation of continued low inflation. Page 14.

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The IHT on-line www.iht.com

Clinton Issues a New Warning to Iraq

WASHINGTON (AFP) — President Bill Clinton warned Tuesday of further punitive actions against Iraq if it fails to give UN inspectors full access to its suspected weapons sites.

"If there is further obstruction of the United Nations mission, we have to consider other options," Mr. Clinton said at a press conference.

The chief UN weapons inspector, Richard Butler, left Iraq on Tuesday without gaining access to presidential palaces, which Iraq has declared off-limits despite a call from the Security Council for full access.

Mr. Clinton would not specify what actions the United States might take but said: "I wouldn't rule out anything. I never have and I won't."

Related article, Page 6.

The Orangutans of Indonesia / **A Disaster in Progress**

Fires Threaten One of Our Closest Relatives

By Seth Mydans
New York Times Service

ANJUNG PUTING, Indonesia — Terrified orangutans have been fleeing their jungle homes as never before, driven by vast forest fires and choking smoke that have swept across their habitat in Borneo and Sumatra since the summer.

By the hundreds, they are being killed by frightened villagers and plantation workers protecting their crops. Females especially are being killed so their babies can be taken to fuel an illegal trade in young orangutans.

More than 100 animals, some of them badly injured, have been rescued by conservationists from local traders and villagers who have locked them in cages, for sale or to be kept as pets.

Most of them are juveniles who have not yet learned to live on their own in the jungle. It will take years of training to teach many of them the lessons they would have learned from their mothers: how to build their nightly nests, and how to feed themselves on the 400 varieties of fruit and bark and grubs that form their natural diet.

Stark as it is, the disaster of the fires has only worsened a crisis that is threatening the future of one of humankind's closest relatives, said Barita Manullang, an orangutan expert with the World Wild Fund for Nature Indonesia Program.

"Actually," Mr. Manullang said, "without the fires themselves the orangutans are already under severe pressure from loss of habitat. Now the situation is much more critical. This is, I guess, the worst situation for orangutan life in this century."

"Now they really need to escape from the fires and the heat and also the haze, very thick haze," he added, pointing out that the smoke had also stunted the growth of jungle fruits, which will lead animals to starvation in the year ahead.

Until the haze and fires abated recently, other jungle animals like tigers, elephants, Malayan sun bears and flying foxes also fled, often to die at the hands of villagers.

Most scientists estimate there are now 20,000 to 30,000 orangutans in the wild, all of them on the Indonesian island of Sumatra and on Borneo, which is divided among Indonesia, Malaysia and Brunei.

The greatest threat to their survival is the devastation of their habitat, which has accelerated sharply over the last decade as big logging companies strip the forests. The World Wide Fund for Nature estimates that their range has shrunk by more than 90 percent over the last half-century, along with a huge reduction in their numbers.

The fires have only quickened the destruction.

"It's very scary," said Birute Galdikas, a pioneer in orangutan research. She has worked with them here in Central Kalimantan Province for 26 years.

"We are looking at the demise of the orangutan as a species in the wild, which basically is what happened to American bison," she said. "It's a terrible situation, and unfortunately it's not going to change. The illegal logging and the clearing of trees for plantations are absolutely demolishing the forests."

Orangutans are a fragile species, breeding slowly and needing a wide range to forage. The males roam the forests alone, devouring huge quantities of fruits; the females raise their young in more settled territories, giving birth just once every eight years or so, then spending several years raising their offspring.

Seth Mydans/The New York Times

Females are killed so their babies can be taken to fuel an illegal trade in young orangutans.

IT IS against the law to own an orangutan in Indonesia, but the laws are widely flouted. Young orangutans are utterly charming — wide-eyed, playful and trusting — and local people, particularly childless couples, often adopt them as members of the family.

Pet orangutans are sometimes dressed in human clothes, given pillows for their beds and fed together with the family, people here say. Sometimes they are taught to perform simple tasks as servants, like opening doors and fetching food.

When they are fully grown — some reaching five and a half feet and 150 pounds (1.7 meters and 68 kilograms) — orangutans can be unruly. Their owners often dispose of them, sometimes selling them to traders for zoos.

With the backing of national and local officials, Ms. Galdikas began recovering these pets and training them at her base, Camp Leakey, to live in the wild. Like Dian Fossey, who lived with gorillas, and Jane Goodall, who studied chimpanzees, Ms. Galdikas was a disciple of the paleontologist Louis S. B. Leakey.

Over the years, she has helped more than 100 orangutans return to the forests. But many of them remain immigrants in their own habitat and spend much of their time close to Camp Leakey, where they receive daily feedings and beg for treats.

On one recent day when there was no feeding, a large female named Yuni, with her baby clinging to her neck, waited hopefully outside the kitchen door of a camp dormitory, together with several cats.

A newer camp in East Kalimantan, run by a researcher named Willie Smits, pursues more of a tough-love policy, offering fewer comforts and pushing the animals back into the forests more forcefully.

Mr. Smits's camp has become the halfway house for orangutans rescued from the fires, and more than 100 now wait there in makeshift cages for fires to be put out.

On a recent tour of the island, Mr. Manullang said, he was shocked to discover how many others remained in captivity in private homes.

"It's very scary," he said. "They come into the villages and rarely can they find any trees, so they just lie on the ground. They invade the people's gardens and plantations. People are scared to death to see those wild beasts, so they kill them, particularly the mums, the adults. They kill the mothers and steal the babies."

He said he had visited three villages and found captive babies in each of them, fed and cared for by farmers who barely had food for their own families.

So he said he had broken a cardinal rule and paid for their pets. "Sometimes, yes, I'm sorry to say, I paid them," he said. "I found it difficult to defend what I had done. My colleagues said, 'You will encourage them to keep orangutans.'"

Other rescue efforts, though better organized, are often less successful.

In Palangkaraya, capital of Central Kalimantan Province, a task force of local officials recently made the rounds of homes and shops where orangutans were being kept in cages. They were empowered only to take away animals that were surrendered voluntarily.

Two-way radios in hand, they pounded on doors and announced, "We've come to talk to you about your orangutan." They were met with denials, tears and refusals.

"No!" cried a 7-year-old girl. "Don't take the orangutan!"

Her mother sat huddled with the pet on a couch, inside a shop on a clamorous street filled with hawkers, stevedores and a man carting along a sun bear in a cage. "This is my third son," the woman said. "I cannot have any more babies, so I adopted it as my child. I breast-fed it. I slept together with it. You cannot take it away."

U.S. Airlines to Improve Mountain-Alert System

By Matthew L. Wald
New York Times Service

WASHINGTON — The major U.S. airlines have announced that they will install new satellite-based navigation equipment in the cockpits of 4,300 jets, to give pilots more warning when they are heading directly toward a mountain.

The airlines hope the new systems will prevent accidents like the American Airlines crash in Cali, Colombia, on Dec. 20, 1995, that killed 160 people.

The Federal Aviation Administration plans to issue a regulation in about a year that will require the equipment on all planes seating six or more people.

But the airlines' action Monday means that many big planes will be equipped years sooner than the rules will require. The airlines said they expected to finish putting the new devices in planes by 2003.

The equipment is called an "enhanced ground proximity warning system" and costs $70,000 to $115,000 for each plane. The announcement Monday by the Air Transport Association, the trade group comprised of major American airlines, covers 4,300 aircraft; another 175 already have the system.

For years airliners have been carrying less advanced equipment, which uses radar to sense altitude and sounds an alarm in the cockpit if the plane begins losing altitude too fast. But the system has been desensitized to avoid false alarms and often does not sound early enough.

The warning — a mechanical voice that cries, "Terrain! Terrain!" — was one of the last sounds heard on the cockpit voice recorder from the Cali crash two years ago.

In that instance, as is often the case, the plane's altitude relative to sea level was changing slowly, but as it flew over the Andes, it crossed a valley and the mountain rose to meet it very rapidly, setting off the alarm only seconds before impact, too late for the pilots to react and put the plane into a successful climb.

The new system does not rely on radar to determine altitude.

Instead, it has a database of the world's mountains. It uses the Global Positioning System, a constellation of satellites in orbit, to sense the plane's position. When it projects that a plane is on a course that will collide with a mountain, it sounds an alarm as much as 60 seconds in advance, instead of just a few seconds.

It can also provide mountain images on a video screen; these change color as the plane approaches the mountain.

Duesseldorf Fire Ruling

Airport to Pay Insurers $11 Million for '96 Blaze

Compiled by Our Staff From Dispatches

DUESSELDORF — A German court ordered Duesseldorf airport on Tuesday to pay more than 20 million Deutsche marks in compensation to four insurance companies in connection with a fatal fire at the airport in April 1996.

The insurance firms Nuemberger, Iduna, Securitas, and Bremer & Deutsche Lloyd, which had paid out insurance claims to retailers and restaurants there, had brought the case against the airport.

The amount to be paid to the firms is equivalent to $11.3 million.

The blaze killed 17 people, destroyed several shops and restaurants and gutted an entire terminal.

A district court in Duesseldorf concluded that the airport authority had shown gross negligence by allowing flammable polystyrene ceiling tiles to be installed in the terminal building.

The court also ordered a company hired to carry out welding repair work that sparked the fire to pay 5 million DM in compensation to the insurance companies.

It said the welding company ought to have checked the space under the repair area, where it would have spotted the inflammable material.

The court also found that the welding work was responsible for starting the blaze, but rejected compensation for separate claims against the airport authority's chief building supervisor and a subcontractor.

Several compensation claims by airlines against the airport are still pending.

Judge Ulrich Voss said the use of polystyrene panels in constructing the airport ceiling presented a latent danger.

"The fire could have been avoided," Judge Voss said.

The court decision is likely to influence the outcome of the airport's pending disputes with 15 other insurance companies demanding 132 million DM for damages paid to Lufthansa for business losses as a result of the fire.

An airport spokesman, Torsten Hiermann, and lawyers representing the construction company said they were considering an appeal of the judge's ruling. *(Reuters, AP)*

Cholera Epidemic Spreads in Africa

Agence France-Presse

NAIROBI — A cholera epidemic is spreading fast in East Africa after two months of disastrous flooding, authorities in the region said Tuesday.

On Tanzania's semi-autonomous island of Zanzibar, the death toll rose to 80 Tuesday morning after 20 more deaths in the previous 24 hours, health officials said. They added that more than 600 people suffering from cholera had been admitted to hospitals.

In Somalia, doctors said 15 people died of cholera in north Mogadishu and a nearby village over the last few days. In Kenya, newspapers reported that cholera had killed more than 30 people in two Nairobi townships during the past two weeks. In Uganda, one person died and 70 others were admitted to Kampala hospitals, officials said.

TRAVEL UPDATE

Train Strike Strands Parisians

PARIS (Reuters) — About 500,000 commuters were stranded Tuesday when a train engineers' strike paralyzed Line B of Paris's regional RER network, transit officials said.

The strike is expected to last until the weekend. The train engineers are demanding extra staff for World Cup soccer matches in Paris next summer.

Walkouts at Greek Airline

ATHENS (AFP) — Two four-hour walkouts by Olympic Airways personnel planned for Thursday will disrupt domestic and international flights of the Greek carrier, union officials said Tuesday.

The walkouts will be part of a 24-hour general strike called by the 600,000-member GSEE trade union in an appeal to the Socialist government to end its austerity program.

The international airport in Monrovia, Liberia, damaged in war, has been reopened after repairs. But it is still unsuitable for commercial airliners, which will continue to use James Spriggs Payne Airport outside the capital. *(AFP)*

Deadly Freeze Descends on Russia

Reuters

MOSCOW — Record cold continued to grip much of central Russia on Tuesday, freezing at least five people to death overnight in Moscow.

Intense cold also led to a series of fatal fires in which 13 people died over the weekend as residents turned up heaters for warmth.

The police said five people died overnight on Moscow's icy streets from cold, 25 were taken to hospitals with frostbite, and 31 others were treated for lesser cases of frostbite. At least four others had died from cold over the past few days, including one who was killed by ice falling from a roof.

A spokesman for the fire department said the fatalities from fires came from Friday to Sunday as temperatures plunged, and people struggled to keep warm at home.

Overnight temperatures fell to minus 28.8 degrees centigrade (minus 19.8 Fahrenheit) in central Moscow, breaking a 1902 record of minus 28 centigrade (minus 18.4 Fahrenheit) for Dec. 16, said Tamara Mnatsekemyan, a meteorologist.

Correction

A caption on the back page Tuesday reversed the names of the actresses Linda Hamilton and Frances Fisher at the Hollywood premiere of the film "Titanic."

WEATHER

Forecast for Thursday through Saturday, as provided by AccuWeather.

North America

Quite mild across the eastern United States Thursday through Saturday with plenty of sun. A storm will produce rain and mountain snow in the Rockies Thursday and Friday; dry and colder Saturday. Mild in the Plains Thursday; much colder Friday and Saturday.

Europe

Milder air will flow into central Europe Thursday through Saturday. Remaining very cold across western Russia. A storm will bring wet weather into Spain and Portugal northward to the United Kingdom. Mainly dry weather across southeastern Europe from Austria to Romania.

Asia

Milder in Seoul and Tokyo Thursday through Saturday, but there will be clouds and some rain. Mostly dry and cold in Mongolia and Manchuria, though there can be a few flurries in Manchuria Thursday. Cloudy, damp weather will continue across southeast China.

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hca, W-Weather.

Maps, forecasts and data provided by AccuWeather, Inc. ©1997 • http://www.accuweather.com

Europe

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Algarve	18/66	13/55 r	17/62	9/48 sh
Amsterdam	1/34	-3/27 pc	4/39	1/34 c
Ankara	2/35	-9/16 sf	-4/25	-8/18 pc
Athens	7/44	3/37 sh	6/43	2/35 sh
Barcelona	14/57	13/55 r	16/61	9/48 sh
Belgrade	-6/22	-9/16 c	0/32	-2/29 pc
Berlin	-6/22	-12/11 pc	0/32	-6/21 r
Brussels	5/41	4/39 sh	12/53	9/48 c
Budapest	-9/16	-13/9 c	-4/25	-8/18 s
Copenhagen	1/34	-2/29 s	4/39	3/37 s
Costa Del Sol	19/66	17/62 r	19/66	11/52 pc
Dublin	6/41	4/39 sn	12/53	7/44 c
Edinburgh	2/35	1/34 c	8/46	6/43 r
Florence	7/44	6/43 I	10/50	9/48 r
Frankfurt	-5/24	-6/22 s	3/37	2/35 s
Geneva	2/35	1/34 c	8/46	5/41 pc
Helsinki	-2/35	0/32 c	1/34	-2/29 pc
Istanbul	0/32	-4/25 sf	1/34	1/34 c
Kiev	-17/2	-20/-14 s	-9/16	-18/0 pc
Las Palmas	24/75	20/68 s	23/73	18/64 pc
Lisbon	17/62	9/48 r	12/53	7/44 r
London	4/39	2/35 r	12/53	9/48 r
Madrid	13/55	6/43 r	11/52	2/35 c
Mallorca	16/61	13/55 r	18/64	11/52 sh
Milan	-2/29	-9/27 sn	3/37	3/37 sn
Moscow	-4/25	-9/16 c	-2/29	-13/11 c
Munich	-1/31	-2/29 pc	9/48	3/37 c
Nice	9/48	8/46 r	12/53	11/52 r
Oslo	3/37	-1/31 c	6/43	2/35 pc
Paris	3/35	0/32 I	11/52	6/43 r
Prague	-12/11	-17/2 pc	-4/25	-12/11 pc
Reykjavik	0/43	0/32 c	4/39	-4/25 pc
Riga	-1/31	-9/16 c	2/35	-2/29 c
Rome	11/52	6/43 sh	17/62	11/52 c
St. Petersburg	1/34	-9/22 c	0/32	-3/27 pc
Stockholm	3/37	0/32 pc	-4/25	0/32 pc
Strasbourg	5/41	4/39 sh	11/52	9/48 c
Tallinn	4/39	0/32 c	1/34	-4/25 pc
Tbilisi	-2/29	-6/22 sn	-1/31	-5/24 sn
Venice	-1/31	-2/29 sn	5/41	4/39 I
Vienna	-9/16	-12/11 pc	3/37	3/37 c
Warsaw	-1/31	-1/34 s	3/37	2/35 s
Zurich	3/37	2/35 c	9/48	6/43 c

Middle East

Abu Dhabi	26/79	16/61 s	26/79	14/57 s
Beirut	18/64	13/55 sh	10/50	4/39 c
Cairo	19/66	11/52 s	18/64	7/44 c
Damascus	11/52	2/35 sh	7/44	-1/31 c
Jerusalem	10/50	4/39 sh	9/48	1/34 c
Luxor	21/70	3/37 s	20/68	4/39 s
Riyadh	21/70	9/48 s	21/70	9/48 s

Africa

Algiers	20/68	14/57 s	24/75	13/55 pc
Cape Town	14/57	9/48 c	20/68	14/57 s
Casablanca	18/64	14/57 sh	19/66	10/50 r
Harare	28/82	9/48 s	29/84	11/52 r
Lagos	33/91	23/73 s	31/88	23/73 pc
Nairobi	27/80	14/57 c	27/80	13/55 c
Tunis	21/70	12/53 pc	22/71	14/57 c

Asia

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Almaty	6/43	-2/29 c	-2/29	-6/18 sn
Bali	33/91	22/71 pc	34/93	22/71 pc
Bangkok	33/91	22/71 pc	32/89	22/71 pc
Beijing	12/53	-1/31 s	9/48	1/34 s
Bombay	29/84	19/64 s	29/82	19/64 s
Calcutta	19/66	13/55 c	24/75	11/52 s
Chiang Mai	33/91	17/62 s	31/88	16/61 pc
Colombo	29/84	23/73 r	29/84	23/73 r
Hanoi	27/80	21/70 pc	27/80	21/70 c
Ho Chi Minh	33/91	23/73 pc	33/91	23/73 pc
Hong Kong	25/77	18/68 pc	24/75	18/68 pc
Islamabad	20/68	3/37 pc	18/64	3/37 pc
Jakarta	29/84	24/75 r	29/84	24/75 t
Karachi	28/77	9/48 s	27/80	11/52 s
K. Lumpur	32/89	24/75 c	31/88	24/75 t
K. Kinabalu	29/84	23/73 r	29/84	23/73 sh
Manila	31/88	19/66 pc	29/82	19/66 s
New Delhi	20/68	4/39 s	21/70	5/41 pc
Phnom Penh	32/89	22/71 pc	31/88	23/73 pc
Phuket	33/91	23/71 pc	32/89	23/71 pc
Rangoon	33/91	19/66 s	32/89	18/64 pc
Seoul	4/39	-1/31 sf	8/46	-1/31 pc
Shanghai	14/57	6/43 pc	14/57	10/50 pc
Singapore	29/82	23/73 r	29/82	23/73 r
Taipei	24/75	18/61 pc	22/71	17/62 pc
Tokyo	13/55	12/53 r	14/57	9/48 c
Vientiane	33/91	17/62 pc	32/89	18/64 pc

North America

Anchorage	-1/47	-1/30 c	-9/18	-13/11 sf
Atlanta	13/55	3/37 s	14/57	3/37 pc
Boston	11/52	-1/31 s	9/48	-2/29 s
Chicago	7/44	0/32 s	8/46	1/34 pc
Dallas	17/62	4/39 s	18/64	6/43 s
Denver	9/48	-2/29 pc	9/48	-6/18 pc
Detroit	7/44	-1/31 pc	7/44	0/32 pc
Honolulu	25/77	18/64 pc	27/80	20/68 pc
Houston	19/66	4/39 s	20/68	9/48 s
Los Angeles	21/70	10/50 s	19/66	4/39 sh
Miami	23/73	14/57 s	23/73	13/55 pc
Minneapolis	4/39	-3/27 pc	4/39	-8/24 pc
Montreal	1/34	-11/13 pc	-1/31	-7/20 pc
Nassau	25/77	17/62 s	23/73	14/57 pc
New York	10/50	2/35 s	10/50	4/39 s
Orlando	21/70	9/48 s	18/66	7/44 pc
Phoenix	22/71	9/48 s	20/68	6/43 pc
San Fran.	13/55	6/43 r	12/53	4/39 r
Seattle	9/48	2/35 r	4/39	1/34 sh
Toronto	4/39	-5/24 pc	4/39	-7/20 pc
Vancouver	7/44	1/34 r	1/34	-1/31 sh
Washington	13/55	1/34 s	11/52	3/37 pc

Latin America

Buenos Aires	23/73	18/64 sh	28/82	21/70 pc
Caracas	28/82	19/64 s	27/80	19/66 s
Lima	28/79	21/70 sh	25/77	21/70 sh
Mexico City	19/66	5/41 pc	17/62	6/43 c
Rio de Janeiro	27/80	21/70 sh	27/80	23/73 s
Santiago	28/82	9/48 pc	29/84	9/48 s

Oceania

Auckland	22/71	13/55 s	23/73	16/61 pc
Sydney	31/88	23/73 s	31/88	22/71 I

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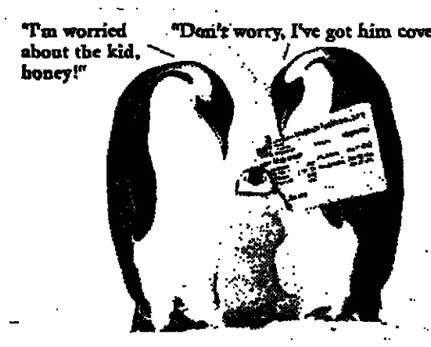

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صكذا من الأصل

THE AMERICAS

Fears of Germ Warfare Ignite the Pentagon

By Bradley Graham
Washington Post Service

WASHINGTON — The decision by Defense Secretary William Cohen to vaccinate all U.S. military personnel against anthrax bacteria follows several years of debate in the Pentagon over the need for the vaccine and the best way of administering it to American troops.

It will be the first time that American GI's receive routine inoculations against a germ warfare agent.

The decision Monday came against the backdrop of heightened concern that Iraq has stockpiled supplies of anthrax, and amid U.S. warnings about the prospect of biological attack from a host of enemy states and terrorist groups.

Defense officials denied any connection between the timing of the announcement and the renewed tensions with Iraq over the international inspection of germ-weapon facilities and other weapons installations. But Mr. Cohen and his aides clearly appeared eager to move forward with the program after doing much in recent days to call attention to the threat from germ agents generally.

"This is a force-protection issue," Mr. Cohen said in a statement. "We owe it to our people to move ahead with this immunization plan."

Under the plan, vaccinations will start next summer after the Pentagon carries out further tests of a huge vaccine stockpile in Michigan and develops a system for tracking inoculated soldiers.

The shots will be administered first to about 100,000 soldiers stationed in such "high threat" areas as the Gulf and the Korean Peninsula, or who are scheduled to be sent there in the event of conflict. All remaining active duty and reserve personnel are to be vaccinated by 2004.

A complicating factor is the length of the inoculation process, which requires six doses spread over 18 months, plus annual boosters. The Pentagon estimates the cost of immunizing 2.4 million people, including some "mission essential" civilian employees, at $130 million over the next six years.

"Our goal is to vaccinate everybody in the force so they will be ready to deploy anywhere, anytime," Deputy Secretary of Defense John Hamre said in a statement.

Anthrax tops the U.S. government's list of biological warfare threats because it is considered the easiest germ weapon to make and use. An infectious disease that normally afflicts animals, especially cattle and sheep, anthrax can be produced in a dry form ideal for storage. It can be ground into tiny particles that can be inhaled by humans. As little as one hundredth of a millionth of a gram is enough to kill.

Anthrax spores are very stable and can remain viable for many years in soil and water. When inhaled, they cause severe pneumonia and death within a week.

The United States says that as many as 10 countries have the capability to at least load spores of anthrax into weapons, although no country is known to have released the bacteria on a battlefield. Washington renounced its germ warfare effort in 1969 and signed an international convention outlawing such weapons.

Because of limited vaccine supplies, about 150,000 of the more than 500,000 U.S. soldiers sent in 1990 and 1991 to evict Iraqi forces from Kuwait during the Gulf War were inoculated against anthrax amid fears, never realized, that President Saddam Hussein of Iraq might unleash the germ.

About 3,000 U.S. military personnel have continued to receive protection against anthrax because of their assignments. They include medical and emergency response teams, groups that handle hazardous material and some special-forces units.

When the idea of starting a regular vaccination program for all forces was broached several years ago, the military balked. They were dubious about the need for that specific vaccine, instead favoring development of a multipurpose vaccine that could counter a number of biological warfare agents. Specialists told them such a vaccine would take years to perfect.

Some commanders argued that the United States could deter an anthrax attack simply by threatening massive retaliation. Military leaders also raised questions about the safety of the anthrax vaccine; speculation at the time was that some of the illnesses suffered by U.S. troops after the Gulf War may have been caused by one or a combination of several vaccines.

But by late last year, the military endorsed the plan, reassured that the shots have no debilitating side effects.

Research has shown no link between the vaccine, which is licensed by the Food and Drug Administration, and illnesses among the Gulf War veterans.

POLITICAL NOTES

Reno Won't Investigate Clinton in Casino Case

WASHINGTON — Attorney General Janet Reno has refused to include President Bill Clinton in her investigation into whether to seek an independent prosecutor to examine how Interior Department officials decided to deny a permit for an Indian casino project in Wisconsin.

Ms. Reno's decision was delivered in a letter to Representative Henry Hyde, Republican of Illinois, the chairman of the House Judiciary Committee, who, along with other Republicans on the panel, had asked her to seek the appointment of an outside prosecutor to investigate Mr. Clinton's role in the casino matter.

Ms. Reno said in her letter that lobbyists hired by a tribal group that opposed the casino had mentioned the project to Mr. Clinton at political and social events. She said that Mr. Clinton then asked his staff about the status of the project and that some presidential aides monitored the issue and made inquiries at the Interior Department.

Ms. Reno wrote, "Information that the President was aware of a regulatory matter under review by an executive branch agency does not, however, in and of itself, indicate criminal wrongdoing by the president."

The casino project was rejected in 1995 by Interior officials in Washington after the rival tribes hired a well-known Democratic lobbyist, Patrick O'Connor. *(NYT)*

On Scientific Testimony

WASHINGTON — The Supreme Court has ruled unanimously that trial judges have great discretion to decide what type of scientific testimony can be presented to juries, a decision that could have a significant impact in product-liability cases around the country.

Testimony of scientific experts has formed the basis of complaints against manufacturers in breast implant, toxic waste and other liability lawsuits. But judges increasingly worry that parties can find an "expert" to testify to anything and that flawed or distorted research can mislead jurors. *(WP)*

Quote / Unquote

Orrin Hatch, Republican of Utah, the Senate Judiciary chairman, after President Clinton bypassed Congress and appointed Bill Lann Lee acting assistant attorney general for civil rights: "There is no question that Mr. Lee will be among the most congressionally scrutinized bureaucrats in history." *(AP)*

Doug Mills/The Associated Press

Janet Reno speaking about the appointment of Bill Lann Lee, right, as acting head of the Justice Department's civil rights division, as Mr. Clinton looked on.

Panel Urges Segregating Military by Sex

By Dana Priest
Washington Post Service

WASHINGTON — A civilian panel appointed by the Pentagon concluded Tuesday that female and male military recruits should be segregated during much of basic training and live in separate barracks in order to avoid an erosion of discipline and cohesion, according to defense sources.

The panel, headed by the former Senator Nancy Kassebaum Baker, Republican of Kansas, said army, navy and air force drill instructors had become so preoccupied with preventing cases of sexual harassment that they were spending too much time concerned with separating men and women and not enough time training them to act like a military unit.

"Because many trainers now insist their recruits refrain from talking to the opposite sex at all times," much of gender-integrated training today "provides little in the way of meaningful integration," the report said.

The panel's recommendations, which were formally released Tuesday, came as a surprise to many defense officials and likely will provoke a new round of discussion about how to integrate a growing number of women into the armed forces.

This year, senior defense chiefs staunchly defended training men and women together after the practice came under attack by Republicans in Congress after the sex scandal at the army's advanced training base at Aberdeen, Maryland. The panel was appointed by Defense Secretary William Cohen in the aftermath of the Aberdeen scandal.

The Marine Corps is the only service that trains male and female recruits separately. It believes sex-segregated training removes a potential distraction from the discipline it is trying to instill.

Sides Rest in Oklahoma Bomb Trial

By Tom Kenworthy and Lois Romano
Washington Post Service

DENVER — An "avalanche of evidence" conclusively implicates Terry Nichols in the Oklahoma City bombing, a federal prosecutor told jurors here during the government's three-and-a-half-hour closing argument in the terrorism case.

"There is only one question in this case," the prosecutor, Beth Wilkinson, told the seven-woman, five-man jury Monday as the government summed up its six weeks of evidence.

"Did Terry Nichols intentionally help Timothy McVeigh bomb the Alfred P. Murrah Federal Building and kill the people inside of it?"

"We submit to you the answer is obvious, the answer is yes," Ms. Wilkinson said. She added, "They were together from beginning to end."

Ms. Wilkinson walked the jury through the government's complex, circumstantial case, using as a prop an eight-foot-wide color chart labeled "The Road to Destruction" that featured booknd photos of the Murrah building before and after the explosion April 19, 1995.

But Ms. Wilkinson also aggressively attacked the defense's efforts to confuse jurors with the specter of additional accomplices, conflicting sightings of a Ryder truck at Geary State Fishing Lake in Kansas, where the bomb was allegedly built, and numerous sightings of a onetime suspect — John Doe No. 2 — who the government now says never existed.

At the defense's turn, Mr. Nichols's attorneys, Michael Tigar and Ron Woods, took umbrage at what they called Ms. Wilkinson's "personal attacks on us."

In his closing argument, Mr. Tigar assailed the character of the government's star witness, Michael Fortier, and accused federal authorities of conducting a slipshod investigation.

Mr. Tigar said of Mr. Fortier, an admitted drug user, "Well, he cleans up pretty good."

Mr. Fortier, a friend of Mr. McVeigh's, pleaded guilty to lesser charges in exchange for his testimony that implicated Mr. McVeigh and Mr. Nichols and that, Mr. Tigar asserted, "was bought and paid for."

Mr. McVeigh was convicted on identical murder and conspiracy charges in June, and was sentenced to death for his role in the explosion, which killed 168 people and injured more than 500 others.

Stubby Kaye, Actor, Singer And Comedian, Dies at 79

NEW YORK (NYT) — Stubby Kaye, 79, the cherubic comedian and singer who was Nicely-Nicely Johnson in the original "Guys and Dolls" and who joined Nat King Cole in the movie banjo chorus crooning the ballad of Cat Ballou, died Sunday in Rancho Mirage, California, where he lived.

Though Mr. Kaye had a long career that spanned vaudeville, television, Broadway and films, he was best known as the first man to belt out "Sit Down, You're Rockin' the Boat," a show-stopper from "Guys and Dolls" that was always associated with him. He made his legitimate stage debut in Frank Loesser's 1950 musical, based on Damon Runyon's tales of gamblers and chorus girls.

In 1956, Mr. Kaye played the role of Marryin' Sam in the Broadway musical "L'il Abner," for which he received an Outer Circle award: and was a regular performer in early television, appearing with Dinah Shore, Perry Como, Art Carney, Marge and Gower Champion and others.

Eddie Chapman, 83, British Spy

LONDON (AP) — Eddie Chapman, 83, a safecracker who became a valued British double agent in World War II and the only Briton to be awarded Germany's Iron Cross medal, has died.

The Nazis twice smuggled Mr. Chapman into Britain during the war to sabotage factories and collect details of bomb attacks on London.

Instead, he fed false details to the Germans about the success of their V-1 buzz bombs, and through his disinformation some V-2 rockets were aimed wide of their targets.

Kim Hak Soon, 74, the first South Korean woman to identify herself as a former sex slave of Japanese soldiers during World War II, died Tuesday. In 1991, Miss Kim told in gruesome detail how she was abducted and forced to carry ammunition for Japanese soldiers by day and serve as a prostitute by night. She was 17 at the time.

Away From Politics

• A medical researcher who claimed he found a fried rat's tail in a McDonald's Happy Meal was convicted of trying to extort $5 million from the restaurant chain. A federal jury found Michael Zanakis of Harding, New Jersey, guilty of three counts of mail fraud, six counts of wire fraud and two counts of extortion. *(AP)*

• A federal judge has denied a request that John Hinckley Jr., the man who shot President Ronald Reagan, be allowed to leave a mental hospital for a six-hour holiday visit with his parents. Judge June Green said she was not convinced that Mr. Hinckley would not be a danger to himself or others during a visit. *(AP)*

• A lion was on the loose in a tourist area after escaping from a roadside zoo while her handlers tried to repair her cage. The African lion, named Nala, was last seen fleeing into a cypress swamp near Kissimmee, Florida. *(AP)*

• A 7-year-old Detroit girl was killed and two other people were wounded in a drive-by shooting that sprayed bullets through a living-room window. *(AP)*

Unicef Warns of 'Silent Crisis'

Malnutrition Is Factor in 55% of Children's Deaths Worldwide

Los Angeles Times

UNITED NATIONS, New York — Despite a global decline in poverty in recent years, malnutrition plagues millions of the world's children and is partly responsible for more than half of all child deaths each year, the UN Children's Fund said in a report issued Tuesday in Paris.

Malnutrition is a factor in 55 percent of the estimated 12 million preventable deaths each year of children younger than 5, Unicef said in its annual report on the state of the world's children.

To find a disease that killed children on a comparable scale, researchers had to reach back to the Middle Ages and the bubonic plague, known as the Black Death.

"It is an existing silent emergency or silent crisis that literally has enormous implications worldwide," said Carol Bellamy, Unicef executive director. "This is not a one-time or special problem," she said. "Virtually half of the children in South Asia and a third of the children in sub-Saharan Africa are malnourished."

Besides child mortality, undernourishment is a factor in children born with low IQs and mental retardation and in the death of mothers in childbirth, the report said.

The deaths, disability and lost productivity because of malnutrition ripple through the economies of countries where hunger is most acute and can reduce the gross national product by as much as 5 percent, researchers estimated, a figure that in Bangladesh and India alone would total $18 billion.

Economic expansion in recent years, particularly in developing countries in East Asia, has reduced malnutrition in some regions.

The report cites the experience of Thailand, where the number of underweight children age 5 and younger dropped from 51 percent in 1982 to 19 percent in 1990.

The report also points to the widespread production and use of iodized salt in reducing mental impairment caused by iodine deficiency and suggests there are other inexpensive steps that can be taken to fight malnutrition.

Doctor at WHO Warns of Flu Bug

The Associated Press

WASHINGTON — A new strain of influenza that comes from chickens may mutate into a bug that can be spread from person to person, a change that could lead to a worldwide epidemic, an expert has said.

Robert Webster, a member of the World Health Organization's influenza team, said that "there is no evidence yet of human-to-human transmission, but the very nature of this virus" means it could acquire that characteristic. He added, "It is only a matter of time."

Other experts did not agree.

Dr. Webster, a virus expert at the St. Jude Children's Research Hospital in Memphis, Tennessee, said that six people in Hong Kong had been confirmed as infected with the new flu strain, called H5N1. All are thought to have contracted the disease from live chickens. Two patients died, but one death was linked to complications of treatment and not to the disease itself.

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Director/Programme Manager, UNDOS

Background: The primary role of the United Nations Development Office for Somalia (UNDOS) is to establish a planning framework and processes to guide and support the reestablishment of governmental structures, rehabilitation and development actions in Somalia. UNDOS core functions are information and data collection and analysis, documentation, advisory and training support to capacity building of administrative structures and economic and social development planning. UNDOS acts as the secretariat to the Somalia Aid Coordination Body (SACB) composed of country donors, UN agencies and international NGOs. UNDOS is expected to provide, as required, support and assistance to UN Agencies, bilateral organisations, international NGOs as well as to projects and programmes for project design, monitoring and evaluation, and training.

Responsibilities: The Director/Programme Manager will have the overall responsibility to manage a multi-disciplinary team of professional staff and to implement the yearly workplan. In order to ensure promotion of UNDOS services and adequate programme funding levels, he/she will work closely with appropriate Somali institutions, UN agencies and other SACB partners. The Director/Programme Manager will be required to travel to Somalia. An Advisory Committee comprising UNDP and major donors will review the progress, approach and development of UNDOS activities as well as its orientation in view of the current situation in Somalia.

Qualifications: The incumbent must have an advanced degree in relevant disciplines (Economics, Development Studies, Social Sciences, Public Administration) with a minimum of 10 years of senior level planning and management experience in an international setting. Working experience in developing countries is essential and in post-conflict societies an asset. Somali experience is desirable and an advantage. In addition to excellent organisational and presentation skills, he/she must have excellent management skills and the capacity to supervise high-level professional staff. Experience in large scale rehabilitation and reconstitution programmes is an advantage. Must be familiar with funding procedures of major donors and the operations of UN system. Fluency in spoken and written English is required.

The headquarters of the Office is currently in Nairobi. The duration of the post is one year, with the expectation of extension.

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The Spirit Of Christmas

Jiang Vows China Will Be Good Neighbor To ASEAN

Compiled by Our Staff From Dispatches

KUALA LUMPUR — China promised Tuesday to be a "good neighbor" to Southeast Asia and disavowed the use of force in regional disputes.

"China will never seek hegemony. China will always be a staunch force in maintaining regional and global peace and stability," President Jiang Zemin said at a meeting of the Association of Southeast Asian Nations.

The nine ASEAN members held successive meetings with Mr. Jiang, Prime Minister Ryutaro Hashimoto of Japan and Prime Minister Koh Kun of South Korea one day after all 12 countries took part in an East Asian conference against the backdrop of regional financial turmoil.

"China will forever be a good neighbor, a good partner and a good friend with ASEAN countries," Mr. Jiang said in a speech to leaders of Brunei, Burma, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

The speech, stressing themes of mutual trust and common ground, addressed suspicions about China's ambitions after confrontations with ASEAN members over the Spratly Islands in the South China Sea.

"There is no tension in the South China Sea," China's foreign minister, Qian Qichen, said at a news conference after the meeting, describing the disputes as a "historic legacy."

China's relations with Southeast Asia often have been marked by bitterness. Beijing claims sovereignty over the Spratly Islands in the South China Sea, an issue that has soured its relations with its southern neighbors. The group of isles and reefs, potentially rich in oil, is also claimed in whole or in part by Vietnam, Brunei, Malaysia, the Philippines and Taiwan.

While no agreement was reached on holding regular pan-Asian conferences, Mr. Qian said another meeting could be held next year if necessary.

A joint statement by China and the ASEAN members said they would resolve any disputes through peaceful means, without resorting to the threat or use of force. ASEAN and China also backed the development of the Mekong River basin, which would benefit Laos, Cambodian and Vietnam.

Mr. Jiang said that as the world's largest developing country, China needs "a long-term peaceful international environment and a good neighborly environment in particular" to modernize.

Even a developed China would adhere to peaceful coexistence, amity and mutual respect, Mr. Jiang said, adding that he predicted that his country would be "strong, prosperous, democratic and culturally advanced" by the mid-21st century. *(AFP, Reuters)*

BRIEFLY

Typhoon Damages Guam

AGANA, Guam — A typhoon with winds of up to 175 miles an hour (280 kilometers an hour), rolled across northern Guam on Tuesday, causing injuries and major damage, emergency workers said. No deaths were reported.

The island was without electricity, knocking out weather recording instruments, although phones were still in service. Twenty injuries, mostly from collapsing homes, were reported, but none were apparently life-threatening, civil defense officials said.

Hundreds of people left their homes for emergency shelters in schools, and some people who stayed at home had to be pulled from the wreckage after their houses fell on them. Guests at one resort hotel were evacuated after part of its roof blew away, the radio reported. *(AP)*

India Leader Holds China Talks

NEW DELHI — Prime Minister Inder Kumar Gujral and a senior Chinese official held talks Tuesday on subjects ranging from Beijing's suspected arms sales to Pakistan to disputes over the long China-India border.

An Indian Foreign Ministry spokesman said Mr. Gujral had told Wei Jianxing, a senior member of the Chinese Communist Party's Politburo, of India's concern over reports that Beijing has supplied New Delhi's arch-foe, Pakistan, with M-11 ballistic missiles. Pakistan and China have denied reports of missile transfers.

But the Indian leader stressed that this was only a reiteration of New Delhi's position on the issue and was "part of an overview of global affairs" during the hour-long meeting.

"We have often reiterated our position on the sale of weapons," the spokesman said. "The Chinese side is briefed on this at the highest level." *(Reuters)*

Cambodian Fighting Rages

PHNOM PENH — Hun Sen's forces pressed their offensive against Cambodian resistance forces Tuesday with artillery at the opposition's stronghold on the Thai border.

The two-day-old battle — the fiercest in months — marked the resumption of hostilities between forces of Mr. Hun Sen, the second prime minister, and those of the man he removed as first prime minister, Prince Norodom Ranariddh. General Khan Savoeun, the No. 2 commander of the Ranariddh loyalists, said Mr. Hun Sen's forces had fired more than 300 shells and 500 rocket-propelled grenades since Monday. There was no definite word on casualties Tuesday, although resistance forces claimed to have intercepted army messages reporting 48 government deaths. *(AP)*

Zahid Hussain/Reuters

PAKISTAN PROTEST — People with handicaps rallied in Karachi on Tuesday to demand an end to discrimination and the creation of training centers.

Australia to Pay Aborigines

CANBERRA — The Australian government on Tuesday announced aid of 63 million Australian dollars ($40 million) to the families of thousands of aborigines taken as children from their parents, but reiterated that there would be no official apology.

Giving the government response to a Human Rights Commission, Aboriginal Affairs Minister John Herron described the policy of forced assimilation as a tragic period for aboriginal Australians. But he said the Liberal-National coalition government should not be asked to apologize for the policy, in place between the 1880s and the 1960s. *(AP)*

UN Discovers Mass Graves in Afghanistan

Reuters

GENEVA — A UN investigator who inspected mass graves in Afghanistan has discovered that hundreds of Taleban captives were thrown down wells and then killed with hand grenades, the United Nations rights spokesman said Tuesday.

Choong Hyun Paik, a South Korean law professor who is the UN special adviser on Afghanistan, also visited two villages near Mazar-i-Sharif in the north where 83 civilians of the opposition Hazara Shiite tribe were massacred by Taleban forces in September, the spokesman added.

"To date, there is no UN figure for the numbers of deaths," the UN spokesman, John Mills, said in Geneva, adding that the date of the killings had not yet been established.

Mark Skinner, a forensic expert with Physicians for Human Rights who accompanied Mr. Paik, estimated that each of the nine wells could contain up to 100 bodies, Mr. Mills said.

Local officials in the northern town of Shibargan said mass graves in the desert contained the bodies of Taleban fighters captured in May after bitter fighting in Mazar-i-Sharif, the capital of the opposition forces.

The killings apparently took place when Shibargan was under the control of General Abdul Malik, a renegade opposition commander who briefly allied himself with the Taleban in May.

With the help of the Taleban, General Malik took Mazar-i-Sharif and forced its warlord, General Abdul Rashid Dustam, into exile. General Malik controlled the north for almost five months before General Dustam returned from Turkey and drove him out.

General Dustam told the UN team that more than 2,000 people had been killed, Mr. Mills said. General Dustam blamed General Malik's forces.

"Those killed appear to have been Taleban soldiers captured during an earlier advance in May this year and also members of local militias or political groups," Mr. Mills said.

The UN investigator also visited five or six shallow gravesites near Shibargan, the UN rights spokesman said.

"At one place, there was evidence that the prisoners were lined up and mowed down with heavy-caliber machine guns," he said, adding that the UN envoy had found shell cases there.

ASIA: *Desire for Democracy Gathers Pace*

Continued from Page 1

strongmen, or all-powerful ruling parties that kept power through money, patronage and a measured amount of repression. Yet recent events are converging to challenge some of the old certainties, upending some long-held political orthodoxies.

Just as the regionwide economic slowdown has called into question the Asian "miracle," so too have recent democratic stirrings tested the much-repeated axiom that Asians, by and large, care little about democracy and favor authoritarian government.

A few regional leaders — Prime Minister Mahathir bin Mohamad in Malaysia, Senior Minister Lee Kuan Yew in Singapore, Chief Executive Tung Chee-hwa in Hong Kong and China's Communist leaders — still advocate the idea of "Asian values," a system that prizes stability and consensus while eschewing Western-style democracy with its emphasis on political conflict.

But a more complex reality is emerging, with more and more Asians now choosing their new leaders, throwing out old ones, forming labor unions and advocacy groups outside of government control and publicly clamoring for more democratic rights.

Just as democracy swept through Latin America and the former Communist-run states of Eastern Europe at the end of the Cold War, East Asia, too, is in the midst of what many here are calling a slow but steady move toward more pluralism and openness.

"The trend is towards greater democratization," said Dewi Fortuna Anwar, a political scientist with the Indonesian Institute of Sciences in Jakarta. "There is increasing societal pressure in every country. This relates to the fact that people are getting more education. It's the rise of the middle class. And it's also a result in the increased globalization of communication and travel. The wave of democratization since the end of the Cold War seems to be catching everybody."

"Democracy is on the march in East Asia," said Douglas Paal, president of the Asia Pacific Policy Center in Washington.

One sign of the trend can be seen in the heavy electoral calendar of the next 12 months. South Koreans go to the polls Thursday for their third free presidential election since 1987. After voting in local elections in November, Taiwanese — who emerged from martial law only in 1986 — will vote next year for a new national Parliament.

Filipinos will elect a new president in May, further consolidating the democracy restored by the 1986 "people power" revolt that tossed out Ferdinand Marcos. Thailand is likely to hold its first elections under a new reformist constitution.

Hong Kong will elect its first legislature under Chinese rule, which, despite complaints about the fairness of the rules and the size of the voting franchise, will make the territory the most democratic part of China.

"It's nonsense," President Lee Teng-hui of Taiwan said in an interview, commenting on the "Asian values" concept and speaking as a leader elected democratically by Chinese.

"Asian people are human beings," he said. "Democracy is something everybody would like to have. Everybody would like more freedom."

Scholars, journalists, diplomats and others point to several trends that they say shows democracy is becoming more entrenched, among them:

- The declining role of the armed forces in East Asia. This trend has been most remarkable in South Korea, but also in Thailand, Taiwan and the Philippines — countries where the armed forces once exercised broad control but where the chance of direct military intervention in politics, meaning a coup, now seems remote.
- The growth of nongovernmental organizations. Indonesia is believed to have 9,000 to 10,000 advocacy organizations, ranging from women's groups and religious groups to human rights forums, legal aid societies and labor unions, which are not officially recognized. The trend is similar, if less pronounced, across much of East and Southeast Asia.
- The rise of information technology and the aggressiveness of the media. Some governments still try to control local media by varying degrees, but the Internet, satellite television, and regional publications that circulate freely across borders give Asians greater access to uncensored information about global democratic trends.

Many regional analysts and academics agreed that Asia's economic downturn — which has forced several countries to seek bailouts from the International Monetary Fund — may in the short term pose a challenge to the democratization trend. The pain of higher unemployment, high interest rates and slower growth, all part of the IMF's prescription for ailing economies, may produce a populist electoral backlash against democratic governments and a hankering for the older-style authoritarian leader who provided the "iron rice bowl" of prosperity for the previous generation.

But for the long term, the changes in the economic systems forced by the IMF remedies are likely to accelerate the move to pluralism in politics, analysts said.

There are, of course, a few exceptions and holdouts to the democratizing trend. Burma is still run by a military junta that refuses to recognize the National League for Democracy as the party that won national elections in 1990.

Vietnam also seems to be lagging behind the region's democratization trend. But analysts like Mr. Paal and diplomats in Hanoi said even in that country there was a measurable amount of pent-up frustration among younger Vietnamese who are looking for a way to change to a more open system.

Cambodia was thought to have ushered in a new democratic government after UN-brokered elections. But in early July, after more than a year of slowly encroaching on Cambodia's newfound freedoms, Hun Sen staged a coup, ousted his coalition partner, Prince Norodom Ranariddh, the first prime minister, and seized control of the country.

POLICY: *Leadership Vacuum*

Continued from Page 1

"This will reduce the ability for South Korea to assume any sort of initiative," said Kim Kihwan, an ambassador-at-large for economic affairs for South Korea.

Former Foreign Minister Han Sheung Joo said, "If there was going to be any breakthrough with a new government, then probably that expectation has been dampened."

He added, "Whatever change or progress might have been made will have to wait until the South Korean crisis is over."

The government here needs all its resources to avoid bankruptcy and South Korea's big conglomerates, known as chaebols, are busy cutting costs and investments to avert collapse instead of looking to expand to the north.

A senior American diplomatic official in Seoul said that the four-party talks on peace for the peninsula, which was divided by war in the early 1950s, would ordinarily be front-page news. But the Geneva meeting last week involving China, the United States, North and South Korea was overshadowed by the free fall in the financial markets.

Korea will also have to trim its military procurement program, imperiling its ambitious plans to acquire new weapons systems capable of projecting power out to 1,000 nautical miles, said a former American diplomat who travels frequently to the region.

The collapse of the Korean currency, the won, will slash about $1 billion, or one fifth, off the military procurement budget, a development that will be welcomed in Japan and China, analysts here said. Budget cuts might trim spending further.

The financial squeeze in Asia has also thrown into doubt the contributions promised by both South Korea and Japan to the Korean Energy Development Organization, which was created as part of an agreement with North Korea to pay for changing the north's nuclear reactors to safer light water reactors.

Ambitions are being scaled back elsewhere in Asia, too. In China six months ago, policymakers were talking about pushing to join the Group of Seven major industrial nations.

But today, China is playing little role at all in solving Asia's problems. Though Beijing took an unprecedented step toward a regional role by contributing $1 billion to the Thailand bailout fund and said Monday that it would contribute an unspecified amount to an Indonesian fund, China has otherwise sat on its own gigantic cache of foreign exchange reserves in case it one day faces an assault on its own economy.

"China has been doing what it feels necessary for its own self," said Mr. Han, the former foreign minister. "It has not bothered to play a role, and that is not surprising to anyone."

Past animosities are also once again laid bare. Japan, which holds a big share of South Korea's debt, is treading gingerly here because of preoccupation with its own problems and also for fear of reigniting talk about its colonial-era occupation of the Korean Peninsula.

"Japan is being very careful," Mr. Han said. "It doesn't want to be seen going out of line with the International Monetary Fund. At the same time it wants to avoid the appearance of fishing in troubled waters."

As a result, it has failed to meet the expectations of greater assistance by some South Koreans while still being charged with neocolonialism by South Koreans who see an international conspiracy to bring down their country.

Mr. Kim, the Korean ambassador-at-large, says he fears that the failure of Asian nations to work together could have disastrous consequences for the entire region. He has warned that Asian governments have engaged in "competitive devaluations" as countries try to regain their export edge by undercutting other Asian rivals with cheaper currencies and thus cheaper labor costs.

"We are reproducing the 1930s," Mr. Kim said.

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THE INTERMARKET Continues on Page 11

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EUROPE

Eastern German Internet Surges in Neo-Nazi Hits

By Alan Cowell
New York Times Service

BONN — At a time of growing signs of neo-Nazism in the German armed forces, a government agency has registered new apprehension about surging racism in the former East Germany.

A report says that rightist extremists are using the Internet to boast of "foreigner free" zones, threatening to keep foreign-born residents out of certain discos and cafés.

For several years, rightists have used the Internet and computer bulletin boards to gain access to white supremacist Web sites in the United States and elsewhere and to send encrypted messages between extremists in Germany.

But the annual report published last week by the government office that addresses issues relating to foreign residents was the first official allusion to the use of the Internet to stir up ethnic violence in the east. Racism there is widely ascribed to discontent over mass unemployment rather than the actual presence of a growing foreign population.

Germany has Europe's highest proportion of foreign-born residents — almost 9 percent of its population of 82 million. But most of them live in prosperous western cities. Unemployment in the east is even higher than the national average of around 11 percent.

The biggest group of foreign-born residents in Germany is some 2 million Turks. In recent years, however, there has been a huge influx of Balkan war refugees and asylum-seekers and clandestine immigrants from Eastern Europe and Africa.

Cornelia Schmalz-Jacobsen, the director of the office that issued the report, said that, in some areas of the east, "foreign residents and visitors are advised not to leave their homes alone after dark."

Rightist extremists in at least 25 towns in the east, she said, had posted Internet proclamations of "foreigner free" zones to be enforced by the extremists.

Typically, he said, an Internet announcement would say that "such and such a club has now been liberated."

But, Ms. Schmalz-Jacobsen said, "these are not liberated zones, but occupied zones."

Rightist extremism is generally attributed to an estimated 6,500 hard-core activists along with some 35,000 people classified by the Federal Office for the Protection of the Constitution as Nazi sympathizers.

Extremism in Army Is Assailed in Bonn

Reuters

BONN — German opposition parties said Tuesday that they were alarmed by a surge in rightist extremism in the army and called on Defense Minister Volker Ruehe to purge any neo-Nazis.

Walter Kolbow, defense spokesman for the Social Democratic Party, said that Mr. Ruehe had clung too long to the mistaken belief that a number of recent cases were "isolated incidents."

"There have been far too many cases to refer to these as isolated incidents any more," Mr. Kolbow said at a news conference where he was supported by the Greens.

"It has become a series," he said, "and a parliamentary inquiry will have to see whether there is a breeding ground for right-wing radicals in the army."

Arnd Wiegmann-Reuters

Mr. Volcker of the Holocaust claims panel, Tuesday in Zurich. He said progress was slow.

4,500 Holocaust Claims Verified

The Associated Press

ZURICH — Two-thirds of the people who have filed claims for dormant Holocaust-era accounts at Swiss banks have been confirmed as apparently having rights to the money, an international panel said Tuesday.

But the chairman of the independent committee supervising the return of the assets of Nazi victims said the process was going slower than he would like. "I am as impatient and frustrated as other people, but this is the nature of the problem," said Paul Volcker, the former chairman of the U.S. Federal Reserve, who heads the panel.

A total of 6,600 claims have been filed, Mr. Volcker said. Of those, 4,500 have been confirmed as authentic. Some of the evidence has included handwritten documents on the opening of the accounts.

So far, money has been paid out from only five accounts, Mr. Volcker said. He declined to go into details about successful claims or how much money had been paid out. Other payments remain in the claims process, which includes a determination by specialists on a fair amount of interest to add to the accounts that have lain dormant since 1945.

A decision on the interest payment is expected by next month, he said.

Mr. Volcker said he did not know how many of the accounts belonged to people killed by the Nazis, but that many of the names appeared to be Jewish.

In a global campaign, Swiss banks have published the names of 16,000 accounts that have been identified as possibly belonging to Holocaust victims because there has been no word from the owners since the end of World War II.

The banks have said the accounts contain a total of 60 million Swiss francs ($42 million).

Mr. Volcker said that the target date for completing the task had been set back six months, until the end of 1998.

BRIEFLY

Havel to Name Central Banker As New Czech Prime Minister

PRAGUE — President Vaclav Havel said Tuesday that the governor of the central bank, Josef Tosovsky, would be appointed Wednesday as the Czech Republic's prime minister.

Mr. Havel said the administration that Mr. Tosovsky would head would seek a vote of confidence in Parliament in January for what would be a time-limited mandate. An official ceremony will be held Wednesday at Prague Castle.

Prime Minister Vaclav Klaus and his three-party coalition cabinet resigned Nov. 30 over a party funding scandal. Many political analysts said they expected the new administration to have a caretaker role before early elections.

Mr. Tosovsky was one of four people originally proposed by Josef Lux, leader of the Christian Democrats, to succeed Mr. Klaus. Mr. Havel asked Mr. Lux last week to try to put together a new government. *(Reuters)*

Jospin Backs Bosnia Tribunal

PARIS — Prime Minister Lionel Jospin said Tuesday that France was determined that no Bosnian war criminal would escape justice and that "no crime will go unpunished."

Answering questions in the National Assembly, Mr. Jospin said, "France is determined to act in this direction, with its allies and the prosecutors of the International Criminal Tribunal" in The Hague.

But Mr. Jospin said allegations by the chief UN war crimes prosecutor, Louise Arbour, that French peacekeepers in Bosnia were not doing enough to bring indicted war criminals to justice were "unacceptable" and "scandalous." *(AFP)*

Don't Take Stroll, Yeltsin Told

MOSCOW — President Boris Yeltsin was in a stable condition in a Moscow clinic, but doctors had advised him against taking a stroll in the fresh air given the subfreezing temperatures, the Kremlin said Tuesday.

The health bulletin said the president had recovered from a cough, adding that his temperature, blood pressure and heart rate were all normal. Mr. Yeltsin, 66, was admitted to a clinic near Moscow last week suffering from an acute viral respiratory infection. *(AFP)*

Swedes Get Tainted Blood

STOCKHOLM — From 150 to 400 patients in Sweden have been treated with British blood products that could be contaminated with Creutzfeldt-Jakob disease, according to the Swedish Pharmaceutical Board.

Some 149 containers of "contaminated" Amerscam Pulmonate, an injectable agent used in lung scans in radiology departments, were used on patients in Sweden before the Nov. 18 warning from the British maker, Nycomed Amersham, it said.

The plasma in Amerscam Pulmonate was taken from British donors, including one man who turned out to be infected with Creutzfeldt-Jakob, the human form of "mad cow" disease. The product was distributed in up to 52 countries, Nycomed Amersham said. *(AFP)*

Irish Leader Seeks Help From Clinton on an Ulster Accord

By Adam Clymer
New York Times Service

WASHINGTON — Prime Minister Bertie Ahern of Ireland said Monday that he hoped President Bill Clinton would help push for a final agreement on a peace accord with Northern Ireland.

Mr. Ahern said he expected negotiators "to have the draft of a comprehensive agreement" by mid-March, when he returns to the United States for St. Patrick's Day festivities. But three or four issues are likely to remain unresolved, he said, and "it will be very difficult for either of the two governments" to move anyone.

"At that point we're going to need the outside help," he said, alluding to Mr. Clinton. He said the president's support would be "crucial" for a final agreement to be reached by May, the deadline set by parties in the talks.

Mr. Ahern said he expected negotiators in Belfast to agree Tuesday on which issues to discuss during an intensive 10 weeks of talks set to begin just after Christmas. He also said he expected the negotiators to agree on a format for those talks.

He contended that the talks had already accomplished more than simply bringing the parties to the table in Belfast.

"An awful lot of issues that people said, 'Never an inch on these,' are off the agenda," he said.

Progress was made on transferring prisoners, for example, and on aid for a Roman Catholic school in Belfast that had never before received government assistance. Negotiators also managed to sidetrack the issue of whether paramilitary groups should be required to surrender their weapons.

He said much of the credit for putting aside the highly contentious arms issue should go to former Senator George Mitchell, chairman of the talks.

The cease-fire that is a condition for continued progress "at this stage is holding far better than previous ones," he added. Citing British and Irish intelligence information, he said there had been a much lower incidence of planning for future attacks, military training and punishment beatings than in the early months of previous cease-fires.

After meeting with Mr. Ahern, Mr. Clinton said, "I'm very impressed by what's been done, and very encouraged." He said he intended to stay "personally involved."

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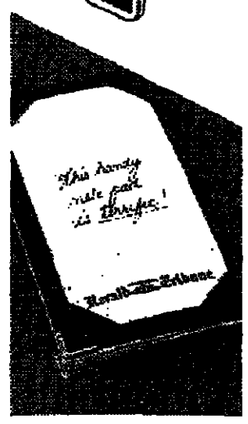

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Saddam's 'Brinkmanship' Draws New U.S. Warning

UN Weapons Chief Gets a 'No' on Open Palaces

Compiled by Our Staff From Dispatches

WASHINGTON — Saddam Hussein's refusal to open his palaces to UN weapons inspectors could prompt another showdown with the Iraqi president, U.S. officials said Tuesday.

Calling Iraq's rejection of the proposal presented by the UN inspection chief, Richard Butler, an instance of "brinkmanship," an administration official said President Bill Clinton's advisers were reviewing a set of options that includes military force.

Baghdad told the chief UN arms inspector Monday that President Saddam would never open his palaces to inspection, sending the issue that set off a crisis last month back to the Security Council, where virtually every means of persuasion short of military force has now been tried.

The Security Council has said that Iraq cannot hope to be free of a crippling international embargo, imposed after its invasion of Kuwait in 1990, until it has satisfactorily accounted for all nuclear, chemical and biological weapons and matériel, as well as its long-range missiles and warheads.

But Mr. Saddam appears to believe that he can hold out against demands that he reveal what is going on in his huge presidential compounds. Without full access to all suspect sites, Mr. Butler and his special commission cannot vouch for Iraqi compliance.

"What Iraq has done again is thumb its nose at the international community," said Bill Richardson, chief delegate to the United Nations.

"Our first option is the diplomatic option. We still have our forces in the region," Mr. Richardson said, adding that the next step is to hear from the UN weapons inspectors.

"We think there is enough authority in previous Security Council resolutions if we choose to have military action, we can proceed," Mr. Richardson said in a televised interview. "I don't want to signal that," he added, but "what Iraq has done is serious."

Mr. Butler left Iraq for Bahrain on Tuesday after Mr. Saddam blocked a search for clandestine biological, chemical and nuclear weapons ingredients.

Iraq, meanwhile, ridiculed the Pentagon's decision to inoculate American troops against anthrax, saying that Iraq did not possess "even one gram" of the deadly biological agent.

Besides using force to open the palaces to inspection, options under consideration include expanding the "no-flight" zones over Iraq. Allied planes fly reconnaissance, and Iraqi planes are barred.

In Bahrain, Mr. Butler said he did not expect the standoff to be resolved easily. "I don't see a way out of these differing views," he said at a press conference.

He said he was told during his four-day mission, in which he held talks with the Iraqi deputy prime minister, Tariq Aziz, that his team would never be allowed to inspect the presidential sites.

"I will faithfully report this to the Security Council, and now it's really up to the Security Council to decide whether or not that refusal to comply fully with the law passed by the council is acceptable or not."

"I don't believe the Security Council would change its position, and I was given a pretty strong indication that Iraq wouldn't change its position," he added.

Mr. Butler said his trip to Iraq had succeeded in getting access for more inspectors and in reducing entry delays at certain so-called strategic sites.

"I think we came here with a serious problem on our hands," he said. "We solved parts of it, not all of it. The Security Council will have to address the remaining bits."

Mr. Butler, who is due to address the Security Council on Thursday, said he saw no reason at this time for the UN to withdraw its weapons inspectors again.

"It was very interesting that the question of composition of our teams was not raised, even though that was something Iraq said a lot about during the crisis," he said.

Last month, a U.S. Navy armada was sent to the Gulf after Mr. Saddam refused to permit American inspectors to participate any longer in weapons searches.

The inspectors later returned to Baghdad, but Washington warned that it would not rule out the use of force if Iraq defied the UN again.

(AP, NYT, Reuters)

Congo Delays Repatriation

Reuters

KINSHASA, Congo — The Democratic Republic of the Congo said Tuesday that logistics problems had forced it to delay the repatriation of refugees from a camp in Rwanda where hundreds of Congolese citizens died in armed attacks last week.

Interior Minister Mwenze Kongolo, who returned from Rwanda on Tuesday, said steps had been taken to prevent another attack on the camp, home to about 17,000 Congolese Tutsi.

Jawad Mohammed/The Associated Press

Richard Butler, UN arms inspection chief, leaving Baghdad on Tuesday after several days of talks with the Iraqis.

Angry Turks Consider an EU Embargo

Ankara May Block Bids by European Firms After Membership Rebuff

Compiled by Our Staff From Dispatches

ISTANBUL — Angered by the European Union's rejection of its decade-old membership application, the Turkish government is considering an embargo against EU companies bidding for state contracts, newspapers said Tuesday.

The EU is Turkey's largest trading partner, accounting for half of Turkish foreign commerce.

It was not expected that an embargo would affect private Turkish companies, but it would affect government contracts for projects like highways, power plants, arms and aircraft.

"Political criteria are always used in state tenders," said Haluk Tukel, an economist with a Turkish business council. "The government is simply saying it will use such criteria to hurt the EU."

Bulent Ecevit, the deputy prime minister, was quoted by the daily Sabah as saying the embargo was an option. The daily Hurriyet also said the cabinet was considering cutting off EU companies from state contracts.

One cabinet member said the embargo was likely to be unofficial.

"If there's a tender conducted by my ministry," Sabah quoted State Minister Rifat Serdaroglu as saying, "I will close the doors to European firms. There is no official decision on an embargo, but these things are never decided officially anyway."

Sabah said Turkish Airlines had already frozen negotiations with the European consortium Airbus on buying three new planes worth $330 million.

A spokesman for the state-owned airline, Faik Akin, denied that the talks had been halted. But he said commercial relations could be adversely affected by strained relations with the EU.

Turkey is angry because the EU this weekend excluded it from membership talks. Ankara has already rejected an invitation to a summit meeting next year and accused the Union of being a "Christian club." The government also said it would stop discussing important political issues with the EU, such as the divided island of Cyprus.

The EU cited Turkey's human rights record, the presence of its troops on Cyprus and its sour relations with Greece as obstacles to membership.

But EU officials and Turkish business leaders said Tuesday that diplomatic tough talk on both sides could not obscure the increasing integration of Turkey's economy with the West, and with Europe in particular. A customs union with the EU, which took effect in 1996, remains one of the centerpieces of Turkey's westward ties, they said. The other is membership in the North Atlantic Treaty Organization.

"I do not for one minute believe that the government will interfere with the customs union or that the private sector would support such interference," Ambassador Michael Lake, head of the European Commission representation in Turkey, said.

"Access to the biggest market in the world be threatened if the customs union were put in legal jeopardy by any form of restriction on the free circulation of goods," he said.

Turkish business groups supported continuing the customs deal but said its expansion depended on Europe's policies.

"The Turkish private sector favors the deepening of this relationship," said Muharrem Kayhan, chairman of the Turkish Industrialists and Businessmen's Association.

"Nevertheless, since Turkey has fulfilled most of its responsibilities, now the deepening of this relationship has become dependent on the EU's attitude," he said. *(AP, Reuters)*

BRIEFLY

Another Jordanian Executed in Iraq

AMMAN, Jordan — Iraq has executed another Jordanian, the government announced Tuesday, eight days after Iraq's execution of four Jordanian men damaged relations between the two neighbors.

Information Minister Samir Muttawe said that the executed man, identified as Mohammed Ali Mohammed Sabbah, had been convicted of murder and was not linked to the four men who were executed on Dec. 8 on charges of smuggling.

King Hussein called the executions last week a "heinous crime" and condemned President Saddam Hussein of Iraq.

In a move to defuse tension, Iraq said Monday that it would commute the death sentence imposed on another Jordanian who was convicted in the smuggling case and that it would release about 140 Jordanian prisoners. *(AP)*

Census Is Delayed In East Jerusalem

RAMALLAH, West Bank — The Palestinian Authority has delayed efforts to conduct a census in East Jerusalem but promised that it would be done, a Palestinian official said Tuesday.

Faisal Husseini, the top Palestinian official in the city, admitted that the move resulted not only from interference by Israel but also from reluctance by the city's Arab residents to take part for fear of Israeli retribution.

Mr. Husseini did not specify a timetable for the census, but it appeared unlikely that the Jerusalem count can be included in the West Bank and Gaza results, which are to be announced Jan. 4. *(AP)*

Guyana Reports Big Voter Turnout

GEORGETOWN, Guyana — Guyanese turned out in record numbers for a presidential race that pitted the late president's widow against a former president, the election commission said Tuesday.

Residents of the South American nation heeded appeals for calm in the racially charged vote Monday. Results were not available because of slow reports, officials said. *(AP)*

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A Militant Mandela Leaves ANC

While Remaining President, He Relinquishes Party Role

The Associated Press

MAFIKING, South Africa — In a militant farewell speech as ANC leader, President Nelson Mandela accused apartheid-era leaders Tuesday of waging a clandestine campaign to destabilize South Africa's all-race government.

"The leopard has not changed its spots," Mr. Mandela said of the National Party, which introduced — and decades later abolished — apartheid. The party still represents the Afrikaner minority of Dutch-descended white settlers.

"These elements find it difficult to redefine their role in the setting of a nonracial democracy," he said. "They continue to be imprisoned by notions of white supremacy."

Mr. Mandela warned his African National Congress that some whites wanted to maintain vestiges of apartheid to protect their privileges of the past.

Those "who have not accepted the reality of majority rule" were helping to instigate South Africa's widespread crime, sabotaging the economy and using the mass media to spread anti-ANC propaganda, he said.

The goal, Mr. Mandela said, was to make the country ungovernable, subvert the economy and erode confidence in the ANC's ability to govern.

While his wide-ranging 53-page president's report on the ANC cited problems faced by the organization, including corruption and power-mongering by ANC officials, it mostly criticized others for failing to work on behalf of the nation in the post-apartheid era.

The speech took more than four hours to read, forcing the 79-year-old Mandela to rest several times and frequently drink water in the stifling hot auditorium.

Mr. Mandela's strong words set a militant tone for the conference, which will see an older generation of revolutionary leaders such as Mr. Mandela, Walter Sisulu and Govan Mbeki step aside for a new order led by Mr. Mbeki's son, Thabo, now the deputy president of the ANC and of the country.

Mr. Mandela also accused the mass media and some aid and development groups of working against his government.

In the three and a half years the ANC has been in power, "the matter has become perfectly clear that the bulk of the mass media in our country has set itself up as a force opposed to the ANC," Mr. Mandela said.

Some aid groups, he maintained, were in fact acting as the political ears and mouthpieces for local and foreign interests acting against his government. In particular, Mr. Mandela cited a U.S. Aid for International Development document he said stated its goals as challenging Mr. Mandela's government on certain issues, "in some respects making President Mandela's task more difficult."

Mr. Mandela also listed the ANC government's achievements, including a new constitution, a stable government and programs to provide electric power, running water and housing for millions of poor blacks ignored under apartheid.

"Who in this country could have done better than the ANC?" he asked at one point in a booming voice, breaking from his prepared text.

"It's a proud moment," said a conference delegate, Vusi Makhosini, 22, from KwaZulu-Natal Province. "As Mandela has gotten older, it has become the time for a younger generation."

Mr. Mandela wore a yellow ANC T-shirt for his last speech after six years as head of the party that led the anti-apartheid movement and won power in the nation's first all-race election in 1994.

Thabo Mbeki, 55, is expected to be the only candidate to replace him, and will automatically be considered the new party president when the nominations close Tuesday night. Mr. Mandela will remain president of the country until 1999, when the new ANC leaders chosen this week are expected to head the government after national elections that year.

Jada Ngwenya/Reuters

Winnie Madikizela Mandela arriving at the opening Tuesday of the conference.

Mandela Hugs His Former Wife

Reuters

MAFIKING, South Africa — Nelson Mandela hugged his former wife, Winnie Madikizela-Mandela, after a farewell Tuesday to his African National Congress.

Mrs. Madikizela-Mandela, 63, joined well-wishers who queued to offer a congratulatory hug or kiss after a four-hour speech in which he urged the party to shun demagogues in its ranks.

Mr. Mandela and his former wife smiled broadly as they embraced briefly but warmly.

The embrace echoed a moment earlier on Tuesday when Adelaide Tambo, widow of Mr. Mandela's revered predecessor, Oliver Tambo, accepted a hug from Mrs. Madikizela-Mandela, who earlier this month was quizzed by the Truth Commission over her alleged role in murders and kidnappings.

South Africa Holds 3 Ex-Mobutu Aides

By Lynne Duke
Washington Post Service

JOHANNESBURG — Two generals and an admiral who served under Mobutu Sese Seko in Zaire are under investigation for possible involvement in a plot to overthrow the new Congolese government, according to the South African Foreign Ministry.

The allegations follow the arrest Saturday of the three for entering South Africa as illegal aliens, using false passports.

A search of the men's homes here reportedly yielded documents that indicated involvement in the plot to topple President Laurent Kabila's government in Congo, as the former Zaire has been known since Mr. Kabila pushed Marshal Mobutu out of power last May after an eight-month rebellion.

A day before Mr. Kabila's forces seized Kinshasa, the Congolese capital, Marshal Mobutu fled into exile in Morocco, where he died in August. Some of the top figures in the former dictator's defeated military fled to South Africa, where many of their wives and children had already been living.

Among those exiled were the three men now under arrest: General Nzimbi Etienne, former chief of Marshal Mobutu's special presidential division; General Baramoto Kpama, former chief of the former Zairian civil guard, and Grand Admiral Mavua Mudima of the former Zairian Navy.

These men, and several others, have been the target of a high-level investigation begun here after Mr. Kabila's government requested South African help in tracking the whereabouts of Marshal Mobutu's followers — specifically how they and their families had come into South Africa and what assets they might have brought with them.

"There are a lot of irregularities concerning the families and their settlement here," said Captain Gerhard Swart of the South African Police Service's Alien Investigation unit, which is part of the task force that has been investigating the matter here.

Flying out of the Rand airport near Johannesburg, General Nzimbi, General Baramoto and Admiral Mavua traveled to an undisclosed town in Congo late Friday for a stay that was supposed to have been only a few hours, Captain Swart said, but bad weather delayed their departure and the men had to return to South Africa on Saturday.

A tipster informed the police here of their arrival and also of the fact that the documents under which they traveled were not legitimate, Captain Swart said.

The men, who had been allowed to settle here on extended holiday visas, traveled to Congo under expired "stateless passports" that had been issued to them by South Africa in August for the sole purpose of attending the Mobutu funeral in Morocco.

But Friday, the men illegally used laminated copies of those documents to make their trip to Congo. The immigration official at the Rand airport who allowed them to leave the country on the false passports is also under arrest.

Speculation in diplomatic and intelligence circles both here and in Congo has centered for several months on the suspicion that Marshal Mobutu's former generals would avenge their humiliating defeat by Mr. Kabila's rebel alliance.

South Africa's Foreign Ministry said Tuesday that its officials were "seriously concerned about the alleged involvement of four citizens of the former Zaire" in a "plot to overthrow the present government" of Congo.

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Herald INTERNATIONAL Tribune
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America and Iran

Open a Dialogue

There are two power centers in Iran. One is the government, chosen by voters and open to improved relations with the United States. The other is the clerical establishment, self-appointed and virulently anti-American. President Bill Clinton was right on Monday to welcome President Mohammed Khatami's encouraging call for a dialogue with Washington, but the White House should not mistake the overture as a sign that Iran's powerful clerics have endorsed a more peaceful foreign policy. The journey back to normal relations with Iran, if it unfolds at all, will be slow and circuitous.

Mr. Khatami, overwhelmingly elected in May by millions of citizens weary of Islamic zealotry, has a more moderate vision for Iran than Ayatollah Sayed Ali Khamenei, the country's religious leader and supreme ruler. Although a cleric himself, Mr. Khatami has moved tentatively to relax the rigid social and legal order established by the conservative clergymen who have run Iran since the 1979 revolution. He has populated the government with progressive officials, lightened some forms of censorship and promised Iranians a more tolerant, open society.

But his power is severely limited. He does not control the armed forces and intelligence services, and exercises limited authority over foreign policy. Just days before Mr. Khatami's conciliatory comments about America, Ayatollah Khamenei bitterly denounced the United States.

Still, it would be shortsighted to ignore Mr. Khatami's offer of improved relations. Washington's long effort to isolate Iran has reached a phase of diminishing returns. The economic embargo, justified when imposed, has turned out to be largely an empty gesture, honored by no other country and brazenly violated by American companies. While wary of Iran's fiery Islamic fundamentalism, other Middle Eastern countries are unwilling to shun such a large, wealthy neighbor.

The benchmarks for better relations with America are no mystery. Iran must end its support for terrorist groups, stop trying to build nuclear weapons and cease trying to disrupt the Middle East peace effort. It also has to get over its allergy to the United States and its implacable hostility to Israel.

None of that is likely to happen quickly, as Mr. Khatami indicated himself. But Washington should be prepared to build a better relationship if there is tangible evidence that Iranian policy and behavior are changing. Opening a dialogue with Mr. Khatami would be a reasonable way to start.

—THE NEW YORK TIMES.

A Major Advance?

The Iranian president's offer of a dialogue with the United States turns a slight thaw into the possibility of a major advance. But it comes with a big if. The Iranians presumably know what they want to gain from a dialogue. The American requirements should include renunciation of: terrorism, subversion, sabotage of the Israeli-Arab peace talks, and construction of nuclear arms. A country that had accepted these international rules of the road still would have its own national and regional ambitions but would qualify as a strategic interlocutor of the United States.

Like all revolutionaries, Iran wants recognition of its legitimacy. It may also want acknowledgment of the CIA intervention of 1954 by which the United States ousted an elected leader and seated a Western-oriented apostle of secular modernization, the shah, himself ousted in 1979. Then Iran wants a voice in practical matters including energy, regional security and its American-held assets. To be secure against a resurgent Iraq and to satisfy public demands for a softer sort of modernization appear to be goals of the newly elected leadership in Tehran.

For Washington, Iran's Islamic version would not be the first revolutionary regime with which it came to terms. The CIA intervention could be dealt with in a mutual context including the Iranian seizure of the U.S. Embassy in 1979. For practical matters, the normal channels of diplomacy, information and commerce are available.

Iran is a country for which Americans traditionally harbor respect and goodwill. The ayatollahs' revolution of 1979 broke this tradition. Iran was already important as a player in Gulf oil and strategy, specifically as an offset to Iraq — a role it could yet resume to its own as well as American advantage. Uniquely, it is doubly important as a player in emerging Caspian Sea oil and strategy — the 19th century "great game" reborn.

Others have found the American effort to isolate and punish Iran anomalous and obsolete. But this is an insubstantial rap. For almost 20 years, Washington has demanded that revolutionary Iran respect the international rules. Intimidated neighbors and commercially minded allies were for relaxing the rules — and they did — but produced scant results. American policy was in essence responsible. If now Iran is reconsidering — and that remains undemonstrated — the United States also can reconsider and take some of the credit for the change.

—THE WASHINGTON POST.

Values for Africa

There was much to welcome in the message Secretary of State Madeleine Albright brought to Africa during her weeklong visit to half a dozen nations, and also some cause for skepticism. Unlike during Bill Clinton's first term, the administration seems to be thinking about Africa and its economic problems for more than five minutes at a time. Officials have worked with members of Congress to develop a strategy focusing on trade and investment.

This comes at a time of some hope as well as the usual conflict and horrible poverty. Much of Africa remains less touched by the whirlwind of global investment than any other part of the world, and many countries are still reeling from murderous ethnic and civil conflicts. But last year 33 countries in sub-Saharan Africa had faster economic than population growth, with five growing by 7 percent or more. A group of new leaders, whose regimes Mrs. Albright sought to spotlight, have replaced old dictators and, in some cases, sought to instill new habits of political and economic self-reliance.

In approaching these new leaders, she emphasized that the United States wants to listen and not just preach. She admitted past U.S. mistakes — particularly the failure to acknowledge and confront the genocide that took place in Rwanda in 1994. And while speaking up for democracy and universal freedoms, she soft-pedaled the human rights abuses still taking place in many of the places she visited. This resulted from a calculation that the United States could accomplish more by "engaging" with Africa's leaders than by standing on the sidelines, criticizing and refusing to engage at all.

This policy, in force toward countries in other parts of the world, is, as it is with them, defensible to a point. But it can be taken too far. It is certainly not yet proved that "Africa's new leaders ... share a common vision of empowerment — for all their citizens, for their nations, and for their continent," as Mrs. Albright maintained. Laurent Kabila, the new leader of Congo, has had journalists and opposition politicians jailed and whipped for seeking to peacefully do their jobs or express their views. The United States should be standing by their sides at least as visibly as by Mr. Kabila.

Africa has much to overcome, but it does not follow, as senior U.S. officials have said, that it cannot be held to Western standards of personal and political freedom. As in Asia, courageous democracy activists from Nigeria to Congo to South Africa would rightly deny that there is anything uniquely "Western" about such values.

Africans who have seen U.S. initiatives come and go may be forgiven for wondering how long this one will last. It is fine to talk about trade and investment, but many economies start from so low that they can't get anywhere without some aid and debt relief. Yet world aid to Africa's poorest nations has been dropping, and America has not done nearly as much as it should to provide debt relief to countries that can't make it without such help. No sympathetic speech or diplomatic strategy can overcome that kind of failing.

—THE WASHINGTON POST.

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The Dollar Will Have to Make Room for the Euro

By C. Fred Bergsten

WASHINGTON — By current predictions, as much as $1 trillion of international investment may shift from dollars to euros. The euro's political impact will be intense.

The dollar-centered system that has prevailed for most of this century will be unseated by a bipolar currency system dominated by Europe and the United States. A quantum leap in trans-Atlantic cooperation will be required to handle this transition.

The dollar and the euro are each likely to wind up with about 40 percent of world finance, with about 20 percent remaining for the yen, the Swiss franc and minor currencies.

Even if the initial Economic and Monetary Union is made up of only the half-dozen assured core countries, that would be enough to constitute an economy about two-thirds the size of America's and almost equal to Japan's. The global trade of this group would exceed that of the United States.

Creation of the euro will raise many policy issues that will require serious dialogue, both across the Atlantic and in multilateral settings such as the Group of Seven and the International Monetary Fund.

Europe has always accounted for a share of world trade comparable to that of the United States. Trade policy has been bipolar for almost four decades, as evidenced by the practice of Europe and the United States agreeing to all multilateral trade rounds in the General Agreement on Tariffs and Trade and recent sectoral agreements in the World Trade Organization.

It is worrisome, however, that to date the United States and the Group of Seven have failed to address the rise of the euro seriously.

The euro's evolution will not be affected by whether the currency is launched in 1999 or 2001, or whether the "Club Med" countries (Italy, Portugal and Spain) are included at the start or join a couple of years later. These are small details; in the larger sense, the same conclusions will apply.

The euro will probably be strong from its inception. The Maastricht treaty gives the European central bank a mandate to ensure price stability. The bank will place overwhelming emphasis on establishing its credibility as soon as possible.

Essentially, it will be the first central bank in history without a government looking over its shoulder. Since it lacks the 50-year credibility of the Bundesbank, it will be tough in pursuing a responsible monetary policy.

America's external economic position will continue to raise doubts about the future stability and value of the dollar. America has run current account deficits for the past 15 years. Its net foreign debt exceeds $1 trillion and is rising annually by 15 to 20 percent.

The EU, in contrast, has a roughly balanced international asset position and has run modest surpluses in its international accounts in recent years. On this important criterion, the EU is superior to the United States.

It would be improper to compare the euro, which will meet all of the key currency criteria, with the sum of the individual European currencies, most of which do not. The comparison must be with the Deutsche mark.

While most Europeans want a strong euro, they also want to avoid an overvalued currency that deepens their economic difficulties. Many believe that their national currencies are already overvalued despite recent substantial declines against the dollar.

Many analysts agree that the euro will rival the dollar as the world's leading currency. Most believe that such a shift will take considerable time, since any redistribution of international portfolios occurs incrementally.

The euro's rise may have to await a serious policy lapse by the United States, as in the late 1970s, or a renewed explosion of America's external debt position, as in the mid-1980s. But even the most successful and best-managed countries undergo occasional setbacks, and the euro's rough parity with the dollar is probably inevitable.

Meanwhile, the euro's rise will convert an international monetary system that has been dominated by the dollar since World War II into a bipolar system. Clearly, the structure and politics of global financial cooperation will change dramatically.

Of late, France is running sizable trade and current account surpluses. Germany has the world's second-largest trade surplus and is the world's second-largest creditor country. The EU is a surplus region.

By contrast, the U.S. trade and current account deficits are headed well above $200 billion in 1997. The availability of a more attractive alternative to the dollar could decrease U.S. ability to finance its large external deficits.

Significantly, many Europeans believe that monetary union will usher in an era of cooperation and that Europe will speak with a single voice, enabling it to force the United States to be more responsive and cooperative.

Some Europeans view this as an important goal.

They know that the United States could react defensively to a loss of monetary dominance and seek, perhaps, to create a formalized dollar area, such as Britain's sterling area in the 1930s. In turn, the EU could adopt a strategy of benign neglect, arguing that the United States has done so repeatedly and that its turn has now come. Trade protection could result from either course.

It will be up to the governments of the two regions to achieve a smooth transition from the sterling- and dollar-dominated monetary systems of the 19th and 20th centuries to a stable dollar and euro system in the early 21st century.

The underlying strength and history of the North Atlantic relationship bode well, but achieving a successful outcome will be a major policy challenge in the years ahead.

The writer, a former U.S. assistant secretary of the Treasury, is director of the Institute for International Economics. This comment has been adapted from a longer article in Foreign Affairs distributed by New York Times Special Features.

South Korea Isn't Bankrupt, and Outsiders Had a Role

By Philip Bowring

HONG KONG — South Korea has become the most conspicuous victim of market hysteria, which could spread.

Exaggeration is contagious. Examples abound. An American economist dismisses South Korea as a "zombie economy." Commentators abuse the word "bankrupt." Phrases like "teach Korea a lesson" proliferate.

But look at some facts. First, South Korea's net foreign debt is about 35 percent of GDP. In absolute terms and as a percentage of GDP it is similar to that of Australia. In per capita terms it is roughly the same as net U.S. foreign obligations.

South Korea's problem is not the size of the debt but the fact that so much of it is short-term and owed by corporations, not by government — which is supposedly a good thing in this era of privatization.

To South Korea's own debt is now being added, in many calculations, the borrowings by Korean companies for use offshore. This debt is a problem for some companies and banks, but it is not hidden debt. By the criteria of the Bank for International Settlements, much is not Korean debt at all.

If it is to be treated as such, Koreans would be well advised to start the so-called reforms being demanded by the IMF by closing down factories in Scotland and elsewhere in the developed world where Korean creation of new industries has contrasted with local failure to create manufacturing jobs.

Korean companies are certainly overextended, but recently the foreign banks that are now looking for a quick exit have been as culpable as the domestic banks.

Korean companies are excessively leveraged, but total credit in South Korea has not expanded especially fast, and as a percentage of GDP is lower than in Hong Kong.

The irony for South Korea is that it long discouraged private-sector foreign borrowing. Its problems are partly due, as even the IMF admits, to the liberalization it was persuaded to undertake.

A second fact that ought to be at the center of discussion is that South Korea does not have a significant current account problem. Its deficit peaked last year at nearly 5 percent of GDP when export prices collapsed, but that was exceptional. Next year the current account looks likely to move into large surplus.

South Korea does not face traditional, trade-based payments problems. It is not bankrupt, and does not have serious macroeconomic imbalances. Its problem is of corporate and foreign exchange liquidity, brought about in large part by fickle markets guided by economists at investment banks and by rating agencies which follow the sentiments of the crowd rather than applying consistent principles.

The crisis says more about fragile international capital markets than about Korea.

The country needs corporate restructuring to shut excess capacity, improve returns and lower debt. But that cannot happen overnight.

Most of the IMF's all-purpose medicine is irrelevant to this case. The last thing a country with low inflation, fiscal balance, small current account deficit and collapsing domestic demand needs is the even higher interest rates demanded by the IMF. These exacerbate the corporate debt that is the heart of the problem, and discourage foreign banks from rolling over short-term loans which they knew were for long-term projects.

The resultant collapse of the won has snowballed impact, so that even one of the world's most efficient companies, the steelmaker POSCO, faces enormous losses.

These banks should consider what the reaction would be in their home markets if they tried to reduce consumer or mortgage loans by 20 percent.

It would not be surprising if South Korea preferred the indignity of some bank and chaebol foreign debt defaults to agreeing to inappropriate policies believed — not just by xenophobic Koreans — to be driven by blinkered foreign self-interest and Japanese disarray.

If Korean defaults lead to problems in Europe, who would really be to blame?

International banks should ponder the damage their loan policies in Asia have done to globalization and free capital flows. They have acted like a thundering herd of sheep. Hysteria has followed euphoria.

International Herald Tribune.

Fine Start Against Bribery, but We'll Have to Follow Up

By Leif Pagrotsky

The writer is Sweden's minister of industry and trade.

STOCKHOLM — The OECD is sending out a harsh Christmas greeting this year to those who have made it a habit to bypass competition by handing out bribes. That should come to an end now, as the OECD anti-bribery convention is signed today in Paris.

Thirty-four of the world's richest countries are making it a crime to bribe foreign officials.

In the next few years we should expect positive changes in company behavior. Companies that play by the rules will no longer be put at a disadvantage. Competition will no longer be distorted by corruption. The present practice of steering business away from cheaper to more expensive suppliers will disappear.

The convention should facilitate the struggle against poverty as well. If we get rid of corruption, we get rid of one of the most serious remaining barriers to development.

We should now make sure that all this occurs. That means that the drive against corruption cannot stop. The determination that produced the OECD convention should be applied to the follow-up process.

To eliminate bribes in business transactions we need continued active involvement by governments as well as by the international business community. I suggest that we proceed along the following lines.

• In the same way that 34 countries (including five non-OECD members) now pledge to apply the convention against bribes, companies should make a commitment against unfair business practices by developing and signing an internationally agreed code of conduct.

Many businesses, particularly in America, already have codes concerning bribery and other ethical issues. Unisys Corp., for example, has a code of conduct, requiring employees to attend an ethics course once a year. They then sign a document in which they promise to abide by the code and affirm that nothing has happened in the previous year that is in breach of it.

• Regulations concerning bank confidentiality need to be changed. Governments should no longer accept the existence of rules that can be used to protect the profits of crime.

There are good reasons for banks to agree to a major cleanup of the regulations. The banking community is currently suffering a well-deserved credibility crisis, after revelations of scandals involving banks in a number of countries.

The secrecy regulations that came into being to protect the individual against unfair treatment by oppressive states have been shown to protect dictators like Mobutu Sese Seko and Ferdinand Marcos.

So long as some governments and banks maintain this excessive secrecy, they will not escape the suspicion that they value the right to make money by protecting shady deals and individuals more than they value our respect.

• The geographical reach of the OECD convention should be extended. More countries should be induced to join. And the International Monetary Fund and the World Bank could pay increased attention to corruption when offering aid. Eventually, rules against unfair business practices should be included in the World Trade Organization regulatory system.

• An effective monitoring mechanism is of utmost importance. To ensure strict and fair implementation, the countries that sign the OECD convention should subject themselves to reviews that are made public.

• Within the WTO, work is being carried out on increasing transparency in public procurement, an area often associated with corruption. We should make sure that binding rules are agreed upon and applied.

The OECD convention is an achievement but also a beginning. To continue and intensify the work against unfair business practices has to include more actors than just governments. The business community should have a lot to contribute.

International Herald Tribune.

Science Doesn't Predict Climate

By Richard S. Lindzen

CAMBRIDGE, Massachusetts — Forty years ago, when weather modification was popular speculation in meteorology, the Soviet Union realized that climate was always changing while our ability to modify it was minimal at best. It therefore reached a treaty with the United States never to use climate modification as a tool of war, thus preventing people from mistaking the inevitable droughts, floods, heat waves and cold spells for acts of war.

That treaty displayed an unusual and admirable appreciation for nature and concern for mankind. The graceless machinations at Kyoto this month have illustrated how far both have deteriorated since.

The negotiations presented an unseemly picture of diplomats desperate for some treaty at any cost, industrial interests asking that any treaty, however bad, be applied to the developing world, and environmental advocates insisting dishonestly and absurdly that all scientists agree with the most lurid scenarios.

The last follows an ignominious tendency of the 20th century to invoke the perceived authority of science in behalf of policy, however evil.

In the case of global climate change, there was a blatant attempt to co-opt science through the establishment of a politically led international panel, the Intergovernmental Panel on Climate Change, allegedly "representing" science. The present head of the IPCC is currently at the World Bank. He has never contributed to our understanding of the physics of climate, but has publicly declared that binding emissions restrictions are essential.

Given the potentially immense costs to all, and the suspicions (not totally unfounded) of the developing world that environmentalism will be the disguise of imperialism in the 21st century, it was not surprising that the negotiations were contentious. In many ways, the science was irrelevant to the outcome.

Even the IPCC could not hide the immense uncertainties concerning such an elementary process as the greenhouse effect. Nor could it ignore the substantial evidence that current primitive models are exaggerating the effect of emissions on such a basic quantity as global mean temperature.

Claims concerning storms, floods, droughts, disease, climate "surprises" (whatever they may be) are so speculative that we do not know if emissions controls are likely to help or harm. We do know that the proposed emission controls, even if globally implemented, would have little real effect on climate.

Since we propose to give ourselves 12 years to act, let's close the negotiations and use the resources thus released to encourage science to really ascertain whether there is a problem or not, while sparing ourselves the spectacle of more Kyotos.

And let us develop a more prosperous world in which there will be sufficient food for all, diseases like malaria are brought under control, real pollutants are adequately reduced in air and water, and the talents of all can be released to deal with the inevitable but unanticipated problems we will actually face.

Among these may be a climate that will warm or cool regardless of the presence of human beings.

The writer, Alfred P. Sloan professor of meteorology at the Massachusetts Institute of Technology and a member of the U.S. National Academy of Science, contributed this comment to Global Viewpoint (Los Angeles Times Syndicate).

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Daudet Dies

PARIS — Alphonse Daudet died suddenly while dining with his family. The state of M. Daudet's health had given cause for anxiety for some time past, but no one suspected that there was any immediate danger. Yesterday [Dec. 16] he worked as usual. At half-past seven, the whole family met at dinner. The gathering was a merry one, and there was plenty of chat and laughter. Suddenly M. Daudet gave a cry and his head fell back. He had fallen into a syncope.

1922: President Killed

WARSAW — President Narutowicz was killed, while visiting an art exhibition, by an artist named Niewiadomski. Three shots were fired. Niewiadomski has been arrested. It is believed that he acted entirely on his own initiative. During his brief political career, M. Narutowicz had acted as a mediator between the Left parties and the Nationalists. It was his popularity with the Left, including the Minorities group (Jews and Germans), that aroused Nationalist feeling against him.

1947: 'Red Dean'

LONDON — The Archbishop of Canterbury issued a statement dissociating the Church of England from "recent actions and utterances" of the Dean of Canterbury, the Very Rev. Hewlett Johnson. Dr. Johnson, nicknamed the "Red Dean" by the British press for his pro-Russian opinions, issued a statement in reply to the archbishop. He pointed out that he had been appointed by a Socialist Prime Minister "precisely because I had long urged that Socialism was in my view not only the scientific but the logical consequence in our age of Christian morality."

صكذا من الأهل

OPINION/LETTERS

America's 'Social Capital': Good News and Bad News

By David S. Broder

WASHINGTON — Every year, dozens and perhaps hundreds of public opinion polls cross my desk, many of them distributed by special interest groups. Amazingly, these surveys almost always show strong grass-roots support for whatever cause that organization is pushing.

The survey that arrived last week from the American Association of Retired Persons, and that will be made public within a few days, is in an entirely different category. It is a subtle, sophisticated and significant piece of social research, done by Thomas M. Guterbock and John C. Fries of the Center for Survey Research of the University of Virginia, under the direction of the AARP's director of research, Constance Swank.

It is a major contribution to understanding a set of questions increasingly at the center of U.S. public policy debate — the issues of social trust, civic engagement and cynicism about government.

The decline in voter turnouts and in confidence in major institutions, the growing distrust of politicians and public officials, have been the subject of worried commentary for years.

The debate on causes and consequences of this "malaise" took an important turn in 1995, when Robert D. Putnam of Harvard published an influential essay called "Bowling Alone." In it he argued that we Americans were becoming increasingly disconnected from our communities and from each other, thus depleting the supply of "social capital" on which democratic government depends.

In Mr. Putnam's view, lower memberships in bowling leagues — even while more and more people tried individually for strikes and spares — was a metaphor for a society that was increasingly atomized and lacking in community spirit.

Other scholars quickly challenged Mr. Putnam's data and interpretations. But the AARP survey advances the understanding of the state of our civic life more than any other single study I have read.

There is both good news and bad news in the findings, which are far too rich to be summarized here. On the upbeat side, America turns out to be more of a society of "joiners" than Mr. Putnam and many other scholars had calculated.

By changing the interview question for the 1,500 people in the survey — asking for specific organizations rather than broad categories of groups in which they hold memberships — the AARP study found that the average American adult has four affiliations. Only one in seven has no formal links outside of family or work.

Volunteering numbers are also high, and so is the sense of community. Almost half the adults reported that they had volunteered during the past year and many of them contributed substantial time.

Political activity is low, but that is not an indicator of apathy. When asked about their level of interest in and sense of ability to influence policy — especially at the local level — the "civic engagement" scores were quite high.

But that does not mean that trust in other people — or in government — is correspondingly healthy. A survey question found as many people saying "you can't be too careful" in dealing with others as said "most people can be trusted." That was better than The Washington Post found when it posed an identical survey question late in 1995 but still nothing to cheer about.

The AARP found that only 28 percent believe the national government can be trusted to do what is right most or all of the time, statistically identical to The Post's result. Confidence in the prospects for the next generation were similarly and appallingly low in both surveys.

This suggests a refinement of Mr. Putnam's theory — one that recognizes that the "trust" element of "social capital" is much weaker than the "civic engagement" index.

Older Americans, regular newspaper readers and, especially, those with active religious affiliations and practices are more civic-minded than 18- to 25-year-olds, the TV-dependent and the unchurched.

But overall, the study shows that "we're not a nation of civic slugs," as Constance Swank told me. "Despite their lack of trust in government, most Americans have not lost their sense of what they can do individually or collectively in their communities."

The Washington Post.

LETTERS TO THE EDITOR

On Turkey

The European Union has committed a colossal foreign policy mistake by rejecting Turkey for EU membership.

Not known for great sensitivity or vision in the foreign policy arena, the EU has overlooked two things.

First, the Union should be taking every conceivable step to strengthen its position in the southeastern Mediterranean area.

Second, Turkey is a long-serving and committed member of NATO and thus is "good enough" to be at least a candidate for EU membership. There is a strong case to be made for every European NATO state's automatically qualifying for the European Union.

The fact that Turkey serves as a bulwark against militant Islam and is now forging strategic alliances with Israel is a strong reason to offer it the prospect of EU membership.

Inviting Poland, Hungary and the Czech Republic to join the European Union while rejecting Turkey demonstrates an inexcusable double standard at best and geopolitical stupidity at worst.

KARL H. PAGAC.
Villeneuve-Loubet, France.

Ismail Cem, Turkey's foreign minister ("Isn't Europe Ambitious Enough to Admit Turkey?" Opinion, Dec. 10), asks himself what causes the European Union's reluctance to admit Turkey into its midst. The answer is given by Mr. Cem himself, who rightly says that European culture is defined by such factors as "democracy, human rights, rule of law" and so on.

Turkey's political-military establishment has proved unable to adhere to these fundamental values of the Western world.

Our Turkish neighbors cannot therefore accuse the EU of discriminating against Turkey simply because it is a Muslim country.

STEPHANE STATHATOS.
Athens.

Nanking's Legacy

Regarding "The Orgy of Nanking: Details Still Vivid After 60 Years" (Opinion, Dec. 12) by Denis and Peggy Warner:

I am sad that some old Japanese politicians still claim that the Nanking massacre did not happen — a view that is certainly not shared by the general public in Japan.

Yes, war is war. It would be hypocritical to say that the Allied nations fought more humanely. But the fact that other nations also engaged in brutal acts during World War II hardly exonerates Japan from the crimes against humanity that its military committed.

Sometimes it is patriotic to admit your own country's mistakes.

MARIKO SEGAWA.
Osaka, Japan.

How did Japan's "honorable" military of 1905 become a barbarian horde a generation later? As the writers say, most likely as a result of education: Chinese were depicted as less than human.

The same question was asked at the end of World War II: How did the land of Beethoven and Goethe produce a generation of mass murderers? Because Nazi propaganda and teaching depicted Jews and others as subhuman.

How could young American soldiers kill hundreds of not only men but women and children at My Lai? Because Vietnamese were called "gooks."

Pejorative, dehumanizing labels should be socially damned and cast out.

ROBERT LACKENBACH.
Konstanz, Germany.

It took the Japanese six weeks to perform the ghastly massacre of 300,000 Chinese. When one thinks that it took only a few minutes for America to do away with nearly the same number of Japanese just eight years later, one cannot but marvel at the fantastic improvement in murder technology within such a short period of time.

ANDRE PERTUZIO.
Paris.

For a Modest Christmas, A Radical Proposal

By Bill McKibben

JOHNSBURG, New York — I know what I'll be doing on Christmas Eve. My wife, my 4-year-old daughter, my dad, my brother and I will snowshoe out into the woods in late afternoon, ready to choose a hemlock or a balsam fir and saw it down — I've had my eye on three or four likely candidates all year.

We'll bring it home, shake off the snow, decorate it and then

MEANWHILE

head for church, where the Sunday school class I help teach will gamely perform this year's pageant. And then it's home to hang stockings, stoke the fire and off to bed. As traditional as it gets, except that there's no sprawling pile of presents under the tree.

Several years ago, a few of us in the northern New York and Vermont conference of the United Methodist Church started a campaign for "$100 holidays." The church leadership voted to urge parishioners not to spend more than $100 per family on presents, to rely instead on simple homemade gifts and on presents of services.

That first year I made walking sticks for everyone. Last year I made spicy chicken sausage. My mother has embraced the idea by making calendars illustrated with snapshots she's taken.

So far our daughter, Sophie, does fine at Christmas. Her stocking is exciting to her; the tree is exciting; skating on the pond is exciting. It's worth mentioning, however, that we don't have a television, so she may not understand the degree of her impoverishment.

This holiday idea may sound modest. It is modest. And yet at the same time it's pretty radical. Christmas, it turns out, is a bulwark of the U.S. economy. It hits a nerve to question whether we should celebrate the birth of a man who said we should give all that we have to the poor by showering one another with motorized tie racks.

It's radical for another reason, too. If you believe that our American consumer addiction represents our deepest problem — the force that keeps us from reaching out to others, from building a fair society, the force that drives so much of our environmental degradation — then Christmas is the nadir.

When we began the $100 campaign, merchants writing to the local papers made it clear to us what a threatening idea it was.

Newspaper columnists thought it was pretty extreme, too — one said that while our message had merit, it would do too much damage to business.

And he was right, or at least not wrong. If we all backed out of Christmas excess this year, we would sink many a gift shop; if we threw less lavish office parties, caterers would suffer — and florists and liquor wholesalers and on down the feeding chain. But we have to start somewhere if we're ever to climb down from the unsustainable heights we've reached, and Christmas might as well be it.

When we began to spread this idea about celebrating Christmas in a new way, we were earnest and sober. Big-time Christmas was an environmental disgrace — all that wrapping paper, all those batteries. The money could be so much better spent: The price of one silk necktie could feed a village for a day.

Also, struggling to create a "proper" Christmas drives poor families into debt. Here, January finds many people cutting back on heat to pay off their Christmas bills.

Those were all good reasons to scale back. But as we continued our campaign, we found we were not really interested in changing Christmas because we wanted fewer batteries. We wanted more joy. We felt cheated by the Christmases we were having — so rushed, so busy, so full of mercantile fantasy and catalogue hype that we couldn't relax and enjoy the season.

Our growing need to emphasize joy over guilt says a great deal about the chances for Christian radicalism, for religious radicalism in general. At its truest, religion represents the one force in our society that can postulate some goal other than accumulation.

In an I-dolatrous culture, religion can play a subversive role. Churches, mosques and synagogues almost alone among our institutions can say, "It's not the economy, stupid, it's your life" — it's learning that there's some other center to the universe.

Los Angeles Times.

Photo by Takeyuki Tanemura

"Malnutrition is what we suppress. It's the foundation for impaired mental development and poor health for children in poverty and the future of humankind."

– from UNICEF's State of the World's Children 1998 report

The secret to healthy children is close to nearly every mother's heart.

The love between a mother and child is obvious. But another relationship is not so obvious: the secret of proper nutrition and a mother's ability to provide it.

The lack thereof is implicated in more than half of all child deaths worldwide. A proportion unmatched by any infectious disease in the world today. Yet malnutrition is neither infectious nor inevitable.

It can be prevented by fortification of foods with essentials such as vitamin A and iodine. By increasing the knowledge and understanding of a growing child's nutritional needs. And by applying that knowledge and understanding to help mothers provide the care so vital for the nutritional well-being of their children.

This is why UNICEF believes that women must be assured of impartial opportunities in education and employment so they are able to make informed and prudent decisions. That they have adequate time for family concerns. And that they receive sensitive attention from skilled medical practitioners.

As a company that believes in living and working together for the common good, we at Canon hope that UNICEF's message about nutrition will be heeded throughout the world. As a leader in photography and visual communications, we hope that more and more mothers and children will be properly nourished, so that more and more happiness, rather than sadness, will be captured through the lenses of our cameras.

And we applaud all the individuals and organizations who are working to help ensure sound nutrition. Because there is no substitute for the caring within a mother's heart. Nor for the proper sustenance of her and her children.

EOS 5

Canon

A Tragedy With No Excuse.

A message from Johann Olav Koss, UNICEF Special Representative for Sports

In my travels throughout the world on behalf of UNICEF, Olympic Aid-Atlanta, and Norwegian Olympic Aid, I have seen great tragedies involving children. Children who are suffering from war-induced psychological trauma. Children who are homeless. And, as an advanced medical student, I am particularly concerned about the diseases and—yes—even the deaths of young children that could be prevented through proper nutrition. It is a tragedy to overlook this basic need of children. A tragedy with no excuse.

John O. Koss

Johann Olav Koss

Help UNICEF help children.

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United Nations Children's Fund

For more information, please contact your nearest UNICEF office or National Committee for UNICEF.

This column is donated by Canon and the International Herald Tribune.

INTERNATIONAL

Despite Critics, U.S. Expected to Send Aid to Bosnian Serbs

By R. Jeffrey Smith
Washington Post Service

WASHINGTON — The Clinton administration is expected to endorse the first major U.S. and allied package of financial aid to Bosnia's Serb Republic this week, despite strong objections from lawmakers and human rights activists who say the money should be withheld until Serb leaders turn in war criminals to an international tribunal.

With the administration's support, senior State Department and White House officials said, the World Bank's International Development Association is expected to vote Dec. 23 in favor of loans worth an estimated $18 million to fund critical housing repairs and reconstruction of the republic's tattered electrical, agricultural, water and sanitation systems.

Washington also plans to approve $22 million in direct U.S. assistance for reconstruction and democratization efforts, and other donors, such as the European Union and Austria, are likely to follow the American example by providing as much as $48 million, the U.S. officials said.

Most of the international assistance to the region since a peace agreement was signed in Dayton, Ohio, on Dec. 20, 1995, has flowed to the portion of Bosnia controlled by Muslims and Croats, and this new aid represents the largest infusion of international funds for Serb-held areas since the end of the war, according to U.S. officials.

The officials have bluntly described the aid as the linchpin of their efforts to bolster public support for the Bosnian Serb president, Biljana Plavsic, whose Serbian National Alliance party recently captured 15 of 83 seats in the republic's Parliament.

The administration has pinned its hopes for fuller implementation of the Dayton accord on Mrs. Plavsic, who has been less disdainful of its provisions than the backers of her hard-line opponent, Radovan Karadzic.

Roughly 85 percent of the World Bank funds are earmarked for towns that fall within the western portion of the republic, where most of her supporters reside.

U.S. officials have not released a list of the towns slated to receive direct U.S. aid.

But a list of the 16 towns chosen to receive World Bank funds was supplied this month to Congress, along with a statement that the administration intends to direct the U.S. executive director at the World Bank to support the loans.

In a letter to Secretary of State Madeleine Albright last week, 13 lawmakers pointed out that five of these towns may be harboring as many as a dozen Bosnian Serbs indicted for war crimes by an international tribunal.

They also reminded Mrs. Albright that a foreign aid bill signed by President Bill Clinton on Nov. 26 bars funds for any communities not complying with the provisions of the Dayton accord requiring the handover of war criminals to the tribunal.

"The vast majority of 52 Serb indictees continue to live comfortably" in the republic, and the government is openly defiant of the tribunal's authority, wrote the lawmakers, who included Senator Mitch McConnell, Republican of Kentucky, chairman of the Appropriations subcommittee on foreign operations.

Until those responsible are brought to justice, "U.S. tax dollars should not be used to prop up their protectors," the legislators wrote.

Similar criticism was leveled against the plan late last week by four independent groups in Washington that help monitor compliance with the Dayton accord, including the Coalition for International Justice, Human Rights Watch/Helsinki and the Balkan Institute.

Flag-Waving in Bosnia

Clinton Enlists Legislators on Troop Extension

By Steven Erlanger
New York Times Service

WASHINGTON — President Bill Clinton is inviting congressional leaders to join him on a Christmas visit to Bosnia in an effort to build support for a continued American presence there, according to senior administration officials.

While Mr. Clinton has not formally decided that American troops will stay beyond the scheduled departure date next July, the official says, he will do so soon. But the decision seems so certain that he is seeking support even before announcing it.

The real debate inside the administration now is over what the mandate of a new international force should be — and its size. The Pentagon, which wants clear instructions, also wants to ensure that the United States has enough troops in Bosnia to retain an overwhelming deterrent, as it does now, with 8,000 troops.

Mr. Clinton is to leave Sunday for Bosnia and arrive Monday, spending 12 to 18 hours on the ground.

Striking an administration theme about Bosnia, Mr. Clinton said, "A great deal of progress has been made; a great deal more work needs to be done."

Mr. Clinton, who originally promised to have U.S. troops out of Bosnia at the end of 1996, and then by July 1998, wants to have as broad a consensus as he can for keeping American troops there, officials say. To that end, Mr. Clinton is inviting leading members of Congress, now in recess, to come with him to Bosnia.

But the White House just began to call key legislators Monday afternoon, and officials were not yet able to provide a list of acceptances or rejections.

Congressional leaders like Dick Gephardt of Missouri, the Democratic leader of the House, would be invited to come or to designate another member to do so, they said. Mr. Gephardt has opposed the president on trade issues, but generally supported him on Bosnia.

His spokesman said on Monday that Mr. Gephardt was in St. Louis, Missouri, and has not yet addressed the proposal.

Mr. Clinton is expected to announce first a decision to keep some American troops in Bosnia, offering details later on the size and duties of the force. Several government agencies have been preparing recommendations about what such a force should do and look like.

Rather than setting a new "exit date," the administration intends to develop a set of benchmarks, officials said.

One official said: "This time we want strict but doable sets of criteria that will let us draw down and exit. Exit strategies aren't just dates, but must be tied to goals."

The North Atlantic Treaty Organization is studying four options for a longer-term force: no new troops; a smaller "deterrent force;" the reconstitution of the current force; a force like the current one but somewhat smaller.

The Clinton administration is supporting the latter two options, European diplomats and American officials say.

Senior officials expect a new mandate to be like the current one, and to involve roughly the same number of troops, at least at the beginning.

The Pentagon wants to have a high level of security if the mandate continues to include, for example, the return of refugees to areas of Bosnia they fled during the civil war. Currently, there are about 30,000 NATO-led troops, including the 8,000 Americans.

But in any new force, Mr. Clinton wants the European allies to contribute more. Washington has been pushing Europeans to support training of Bosnian police officers and to consider providing paramilitary units, like the Italian carabinieri, that would need fewer heavy weapons.

Gary Cameron/Reuters

Bill Gets a 'Buddy'

Clinton Names Newest Member Of the Family: A Labrador Puppy

"If you want a friend in Washington, you need to get a dog," President Bill Clinton said Tuesday, quoting Harry Truman, as he revealed that his new puppy was named Buddy, after a favorite great-uncle. Three days after being given the chocolate Labrador puppy, Mr. Clinton disclosed the name at an afternoon press conference. Buddy was the nickname of Henry Oren Grisham, a Clinton father figure who died in June. The president reveled in the guessing game before his announcement. Earlier he was careful not to let the name slip. "C'mon, kiddo," he said to the dog, who chomped on the Rose Garden grass. "Don't eat that; you just had lunch." On Monday, Hillary Rodham Clinton called the naming "an ongoing high-level effort." There were a lot of corny suggestions, like "Barkansas" and "Ark-n-paws." Socks, the family cat, was reportedly reserving judgment. "We're working on that," Mrs. Clinton said.

CLINTON: *Praises Iran Overture*

Continued from Page 1

all Mr. Khatami's expressions of moderation, substantial power remains in the hands of the conservative spiritual leader, Ayatollah Ali Khamenei, and of the former president, Hashemi Rafsanjani.

Mr. Clinton said Tuesday that maintaining an embargo against Iran remained "the right thing to do" for now.

The president said the U.S. position on Iran's renouncing terrorism and halting all support for it would remain "uncompromising."

"But," he said, "do I hope there will be some conditions under which this dialogue can resume? I certainly do."

James Foley, a State Department spokesman, denied Monday reports in the Israeli press of secret U.S. contacts with the Iranians.

On the Asian financial crisis, Mr. Clinton sought to strike a reassuring tone without offering any specific new assistance to the economies, from Thailand to South Korea, that have seen their stock markets and currencies plunge to historic lows in recent months.

"It's very much in our interest to do what we can to support the Asian economies as they work to weather this crisis," he said.

The best way to do that, Mr. Clinton added, is to pursue the plan worked out by Asia-Pacific nations and officials of the International Monetary Fund and World Bank last month in Manila.

That plan, he noted, calls for countries to adopt responsible economic and financial policies, for the IMF to lead any rescue programs in the region, and for the United States, Japan and other wealthy countries to provide support only within that context and as it becomes necessary.

"We may need to do more," he said, but added that it should be done within the Manila framework, and on a case-by-case basis.

He appeared, thus, to shrug off a call from nervous officials in South Korea for emergency U.S. aid to round out an IMF-led bailout that has grown to $60 billion.

The nine leaders of the Association of South East Asian Nations called Monday for greater efforts by major economies, including those of the European Union, Japan and the United States, to overcome the crisis and deal with the issues underlying it. Bailout packages — lines of credit to replenish depleted government reserves — totaling more than $100 billion are already in place.

"I am very encouraged," he added, by the steps South Korea is "taking to try to implement the IMF plan."

Mr. Clinton said it was "terribly important" that President Kim Young Sam had gained assurances from the three candidates in the presidential election Thursday that they would support the IMF plan.

Mr. Clinton emphasized the importance of U.S. economic health, and urged Congress, when it returned from the holiday recess, to approve $3.5 billion in additional funds to support an IMF emergency-bailout fund.

The president welcomed the signing Tuesday in Brussels of protocols for the entry into NATO of Poland, Hungary and the Czech Republic. The membership of the former Soviet-bloc countries, he said, would "make America safer, NATO stronger and Europe more stable and united."

He also announced that the United States would hold a summit meeting in the spring of 1999 to welcome Hungary, Poland and the Czech Republic into the North Atlantic Treaty Organization.

NATO: *U.S. Urges Alliance to Fight Spread of Nuclear, Biological and Chemical Weapons*

Continued from Page 1

Iraq to allow United Nations inspectors full access to all suspected weapons storage sites. But she stressed that the Clinton administration viewed the Iraq crisis as a key test of the allies standing together to defend their vital interests.

While Europeans may believe Washington is "too quick to pull the sanctions trigger," Mrs. Albright said Americans feel too often that the United States "takes the heat for dealing with difficult issues while others take the contracts — that our willingness to take responsibility for peace and security makes it easier for others to shirk theirs."

France and Russia have been reluctant to back a tough international response against the intransigence of Saddam Hussein's government. Both countries have signed future oil contracts with Baghdad and have pressed for the relaxation of sanctions.

Mrs. Albright's call for the North Atlantic Treaty Organization to expand its strategic domain deep into the Middle East caught her colleagues by surprise. NATO countries have always been skittish about objectives or missions that stretch beyond their own territories.

The British foreign minister, Robin Cook, said: "NATO has traditionally been concerned with the Euro-Atlantic area. That is where most of us see the focus for some time to come," and he cited Bosnia and other regions in Europe as NATO's primary interests.

But Mrs. Albright appeared to be laying the foundation for a new appeal for NATO to extend its zone of security as the alliance prepares to consider a second round of expansion.

"The United States and Europe will certainly face challenges beyond Europe's shores," she said. "Our nations share global interests that require us to work together with the same degree of solidarity that we have long maintained on this continent."

NATO ministers agree that the next wave of expansion, possibly to include Romania, Slovenia and other new democracies, should be started in 1999, when the alliance's leaders gather in Washington to celebrate NATO's 50th anniversary and, they hope, the formal induction of the Czech Republic, Hungary and Poland.

At a news conference Tuesday, Mr. Clinton urged the Senate to ratify expansion: "The United States has led the way in transforming our alliance. Now we should be among the first to vote yes for NATO's historic engagement."

The NATO foreign ministers here signed documents Tuesday bringing the three nations into the fold, the last official step before the ratification process by each member parliament.

Alliance military planners say the most plausible plan for a continued mission in Bosnia would be a force of 15,000 to 20,000 troops, roughly half the size of the existing force of 34,000 soldiers from 36 nations. Mrs. Albright said that despite reluctance among many members of Congress, the administration "will continue to do its share."

But she reaffirmed the U.S. insistence that the international police force there now, composed of 1,700 poorly armed gendarmes, be strengthened to assume some of the support tasks for civilian reconstruction that a scaled-down mission will no longer be able to perform.

She said that it was unacceptable for the United States to provide 90 percent of the money for training and equipping the Bosnian police when law and order is so critical to any exit strategy.

European governments, however, reject the argument that they are shirking the burden. They contend they are supplying 80 percent of the troops and paying more than 70 percent of the $7 billion spent this year on the NATO force and the reconstruction effort.

In her speech, Mrs. Albright emphasized how the Bosnian crisis had proved that a threat to Europe was a threat to the United States. But she added that an equitable partnership meant Europe must also acknowledge shared obligations and interests with the United States.

"We are all members of an alliance," she said, "that makes the security of the people of Paris and Oslo and Rome an American interest and responsibility, just as it makes the security of New Yorkers and Los Angelinos a European interest and responsibility."

CRISIS: *ASEAN Can Find No Solutions to Currencies' Free Fall*

Continued from Page 1

effort to arrest the currency slide was urgent.

But the Thai baht, the Indonesian rupiah and the Philippine peso again hit record lows against the U.S. dollar on Tuesday, even after central bank intervention. Even the relatively stable Singapore dollar was hit, touching a six-year low. The Malaysian ringgit weakened to its lowest levels since the currency was floated in 1973.

South Korea took steps toward pleasing the International Monetary Fund and foreign investors Tuesday by floating the won and announcing a series of other financial reform plans required under its bailout plan.

In addition to lifting the beleaguered currency sharply against the dollar for a second day, the won's flotation prompted a further rise of almost 5 percent in South Korean stocks.

Government ministries also announced that they would raise a 25 percent cap on interest rates to 40 percent, cut the state budget, ease rules on mergers and acquisitions to make foreign takeovers easier and relax rules on share issuance.

The steps are part of the terms of the IMF's $60 billion loan-guarantee package for South Korea, and analysts said these should help persuade the IMF to release further installments of the package.

But the news apparently failed to impress foreign bankers, who reacted indifferently Tuesday to Seoul's plan to sell one of its two most troubled banks. Rumors of a possible sale had helped lift the Seoul stock exchange as investors hoped for an influx of foreign cash to lend support to the shaky financial sector.

Also Tuesday, Indonesia's troubled financial system was dealt a fresh blow when a leading international credit rating agency warned that loan defaults by Indonesian companies would soon rise sharply, putting banks under severe strain.

Standard & Poor's Corp. said that "nonperforming loans" — meaning credits that could not be repaid — would climb sharply in the first half of 1998 and amount to "at least" 16 percent of total Indonesian bank loans by the end of that year. This is double the estimated level of four months ago, when the rupiah started to fall rapidly against the dollar. (Page 13)

The three-day meeting in Kuala Lumpur grouped China, Japan, South Korea and the nine members of ASEAN: the Philippines, Singapore, Thailand, Malaysia, Burma, Indonesia, Brunei, Laos and Vietnam.

It had been touted as providing East Asian answers for East Asian problems — without representation from the European Union or the United States — but leaders came away from the meetings Tuesday with few concrete policy decisions.

Japan, which in January had toured the region declaring a new era of "broader and deeper" ties with Southeast Asia, on Tuesday offered little beyond training schemes for workers and a marginal reduction in the interest rate it charges to countries for soft loans.

The region's political superpower, China, reassured ASEAN officials that it would not devalue its currency. Regional leaders fear the possibility of a Chinese devaluation because it would erode the competitiveness of their exports compared with Chinese products.

Japan also told ASEAN it was not in a position to tell private banks to "roll over" short-term loans extended to debt-ridden Southeast Asian companies. Countries like Thailand fear that many debt-ridden companies will not be able to make payments on foreign currency loans coming due in the next few months. Japanese banks have lent a large share of these foreign-currency loans to companies in Southeast Asia.

In his concluding remarks Tuesday, Mr. Mahathir said the region's problems were more protracted than previously thought.

"There was a tendency before to dismiss the problem and say how strong the currencies of Southeast Asia are and the problem will disappear almost by magic," he said. "Now more people understand it is not going to disappear so easily."

He added: "In this world, there is no equality. Might is still right."

After months of daily attacks against the foreign press and currency speculators, Mr. Mahathir was subdued in his comments to reporters.

"I am told that it is my brashness which has caused all these problems," he said. "So I'm trying to be nice, especially to the press, but I'm not succeeding quite obviously."

Soviet Spy Loses His U.K. Royalties

Reuters

LONDON — The attorney general of Britain won a court injunction Tuesday to stop George Blake from receiving £90,000 in royalties from his book about his years as a spy for the Soviet Union.

Mr. Blake, who became a Soviet spy in 1951 and fled to Moscow 15 years later after escaping from a prison in London, has already received about £50,000 ($81,500) in royalties for his autobiography.

But a three judge panel ruled that Mr. Blake, whose defection led to the deaths of several British agents, should not profit any further from his crime.

He disclosed secret information and documents to the Soviet Union from 1951, when he was captured in North Korea, until his arrest in 1960. His 1990 autobiography, "No Other Choice," describes how he was converted to communism.

"The ordinary member of the public would be shocked if the position was that the courts were powerless to prevent the respondent profiting from his criminal conduct," the judges said in the ruling.

IRAN: *Crackdown on Skeptical Ayatollah*

Continued from Page 1

post and that his primary aim should be to "supervise rather than rule."

Ayatollah Khamenei — who under the constitution supersedes the president and has final authority over all governmental affairs — has responded with a public campaign to discredit his critic.

In a speech broadcast on state television on Nov. 27, he referred to Ayatollah Montazeri as a "politically bankrupt, pathetic and naive cleric who has taken an erroneous and clumsy stance against the spine of the revolution."

A statement issued by Mr. Khatami and his cabinet after the demonstrations in November waned "urged the public to remain vigilant in view of the recent incidents and expressed the hope that the revolutionary Muslim nation will continue its path in full unity," the official Iranian press agency reported.

Another prominent figure enlisted to join in the counterattack is Azhra Mostafavi, the daughter of Ayatollah Khomeini. In what was clearly intended as a rebuttal to the suggestion that Ayatollah Khamenei was not qualified to hold his post, Mrs. Mostafavi was reported by the official press agency to have declared that she had personally heard her father name his successor.

But some prominent clerics have begun to signal that it could prove counterproductive to press too aggressively to punish Ayatollah Montazeri, 75.

Grand Ayatollah Shirazi, for one, made it clear in the interview that he thought it would be a mistake to subject the dissident to a trial.

Ayatollah Shirazi emphasized that he himself remained a firm supporter of the principle known as *velayat-e-faqih*, which since the revolution of 1979 has granted supreme power to a cleric to serve as God's representative on earth.

Until this summer any public debate on that point would have been too sensitive. But Ayatollah Shirazi said that in the wake of the challenge, which has been echoed by some student leaders, he fully expected that the question of the clergy's role would become an enduring feature of the country's political debate.

"There are many people who believe it should not exist at all," Ayatollah Shirazi said of the principle of supreme clerical rule. "There are people who believe Iran should turn into a secular establishment, like the Turkish system. The intention of these people is to separate the state from religion, to separate the clerics from politics and finally to separate religion from politics."

But he said that he was confident that most Iranians continued to support the system. Already, in response to Ayatollah Montazeri's statements, a special court dealing with crimes committed by clerics has closed offices maintained by him and his followers in the holy city of Meshed, in northeastern Iran.

Only a few Iranians have dared to defend Ayatollah Montazeri in public.

They include Azam Alaie Taleqani, a publisher and former member of Parliament. A letter she wrote to Mr. Khatami defending the cleric's right to free speech has begun to circulate around Tehran.

In an interview in Tehran, Mrs. Taleqani said, "Montazeri has many followers, so trying him would have a very big social and political impact. Those followers will not be silenced."

Another who defended him, Ibrahim Yazdi, a prominent opposition leader, was arrested Sunday after he took part in a protest to support him.

EURO: *Companies Begin Expensive Preparations for the Big Shift to a Single Currency*

Continued from Page 1

the subsidiary of Japan's second-largest securities firm, executives note that 70 percent of business is conducted in yen and much of the rest in dollars.

"The implications of EMU for us are much less significant," said Sally Wilkinson, chief economist at Daiwa Europe.

That attitude worries many European securities experts. A U.S. mutual fund, for example, could suddenly find itself unable to trade its European bonds or stocks if the custodian of that security, often a small U.S. bank, has not overhauled its computing systems to handle the security redenominated into euros.

"You've got to have every link in the chain working," Mr. Bishop said.

Outside of the financial services industry, many of big European multinational corporations such as Philips Electronics NV of the Netherlands and Daimler-Benz AG of Germany have announced plans to switch to the euro in 1999 to simplify their accounting procedures across Europe.

But even a strategic decision like that raises a host of issues. A company can bill suppliers in euro and national currencies, for example, but if each item in an invoice is listed in dual currencies rather than the bottom line, that will demand far greater changes in computer programming and the printed invoice.

The scale of the changes and the need to tackle the year 2000 problem first has led International Business Machines Corp. to delay its full transition to the euro until 2001.

"Our view is that the majority of firms, especially small and medium-sized ones, are going to find this a big deal, and one they're not going to be able to do quickly," said Peter Cruttenden, who is in charge of the U.S. computing giant's preparations. "The amount of skill that's around is finite."

The biggest benefactors of all the euro largesse are programmers and other computer service experts. Salaries in Britain for computer programmers with two years' experience have jumped to as high as £40,000 ($65,320) from £25,000 a year ago, said Les James, a director at the Agency Partnership, a recruiting firm.

New hires also can receive signing bonuses of up to £10,000 and a further loyalty bonus of up to £10,000 a year payable in March 2000.

"Two years ago, you had to look for permanent vacancies" on behalf of job seekers, Mr. James said. "Now you don't. Companies phone around looking for staff."

The number of job vacancies in Britain in information technology has soared to as high as 100,000, recruiters estimate. That is double the number of vacancies during the run-up to the deregulation of Britain's securities industry in 1986, when banks and brokers scrambled to overhaul their computing systems.

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THE INTERMARKET Starts on Page 4

TOMORROW: HEALTH SCIENCE

A New, New 'Boris': Saving Mussorgsky From Himself

By Richard Taruskin

NEW YORK — When the Metropolitan Opera revives Modest Mussorgsky's "Boris Godunov" on Friday evening under the baton of Valery Gergiev, it will be introducing a new orchestration by Igor Buketoff to supersede the composer's original scoring, reinstated at the Met with a great deal of "authentistic" fanfare under Thomas Schippers in 1973.

Why the backsliding? Is it backsliding? We are probably in for a new installment of an endless debate.

Mussorgsky died of the effects of alcoholism just one week after his 42d birthday. Thus, although it is rarely noted or remembered, he was — like Mozart, Schubert, Chopin and Mendelssohn — a short-lived genius who had nothing but an early period.

He remained handicapped by a weak technique, which (whatever its effect on the quality of his work) made him laborious and experimental in his creative habits, and kept him from finishing most of his larger projects.

But with time, even Mussorgsky began to acquire some proficiency, and he moderated the extremity of his early "realistic" style. The revised "Boris," completed in 1872 and performed in 1874, was a far more conventional opera than its intransigent predecessor. "Khovanshchina" and "The Fair at Sorochintsy," the operas that followed "Boris," continued its path of reconciliation with tradition and reaffirmed the beginnings of professionalism, which had a good side after all. Just on the point of death, Mussorgsky was arriving.

And then, suddenly and tragically, he died, with both his later operas unfinished and with "Boris" in limbo, unexportable to any other house than St. Petersburg's Maryinsky Theater.

Mussorgsky's friend Rimsky-Korsakov now stepped in, completing and revising his works, assuring their survival and, in the case of "Boris," eventual triumph the world over. That triumph came at a certain price to the composer's reputation, however. It meant acknowledging the deficiencies of his technique and the necessity of revision, which implicitly ratified the value, and the final victory, of the traditions Mussorgsky had once so proudly flouted.

The Met has tried to toe a fine line between the fashionably authentic and the practicable. In the '50s, it used a version by Karol Rathaus, a Polish-born composer then on the faculty of Queens College, which was basically an adapted Pavel Lamm score, beefed up where necessary.

In the '60s, the ultra-beefy Shostakovich version, first prepared in 1940 for the Kirov in St. Petersburg, was used. As noted, the Met tried (and advertised) the Mussorgskian straight and narrow in the '70s.

BUT as Richard Woitach, the conductor who covered for Schippers, recently "confessed," hundreds of individual spot adjustments were made in rehearsals, so that in the end what the audience heard was a virtual Rathaus score.

Enter Igor Buketoff. An American of Russian ancestry, Buketoff, 82, is a conductor and orchestrator of long experience and a recognized scholar of Russian music. According to materials furnished by the Met, Buketoff's dream of rescoring "Boris" goes back to his teenage years, when the Lamm full score first appeared. He went through it with his teacher, Konstantin Nikolaievich Shvedov, an émigré composer and church musician who, Buketoff says, was an "associate" of Rimsky-Korsakov.

Russian sources shed no light on the relationship between the two composers, who lived and worked in different cities. But through his link with Shvedov, and Shvedov's with Rimsky-Korsakov, Buketoff claims a direct and uniquely qualifying line of musical descent from Mussorgsky himself.

Be that as it may, the assertions he now makes on behalf of his restored "Boris" are dubious, to say the least. Unlike the scrupulous Rimsky-Korsakov, but like many performers and arrangers today, he wants it both ways: to claim that he has indeed improved Mussorgsky's orchestration on the basis of his own superior practical knowledge, but that he has also restored Mussorgsky's original voice on the basis of his privileged insight into the composer's intentions.

Any arranger artless enough to believe it, or artful enough to appreciate its value as hype, can make this safely unverifiable claim. Buketoff, who has freely conflated Mussorgsky with Rimsky-Korsakov on the way to an ideal realization, is even less entitled to it than was Rathaus, who never made it. All that he or anyone can fairly claim is improvement: beauty, not truth.

Richard Taruskin, the author of "Mussorgsky: Eight Essays and an Epilogue," wrote this for The New York Times.

Gail Thompson, Success Against the Odds

By Mike Zwerin
International Herald Tribune

BERLIN — Gail Thompson's personality has been called "florid" and "restless." Born in Britain of Trinidadian parentage, she dropped out of the Kingsdale Comprehensive School in Dulwich in the late '70s. After joining the National Youth Jazz Orchestra, she has had a career that, judging from her curriculum vitae, has been in overdrive since the '80s.

- Trustee of the National Jazz Foundation Archive;
- Founded the Jazz Warriors with Courtney Pine;
- Played regularly with the Charlie Watts big band;
- Commissioned by BBC-2 to write a piece for and conduct the Midland Jazz Orchestra at the Albert Hall;
- Became a member of the Arts Council of Great Britain's Music Advisory Panel;
- Accepted several commissions, including one for the Royal Opera House;
- Made a six-month overland musical study-visit to Africa, and
- Founded Musicworks, a music school.

Many of the above credits, no matter how impressive, do not involve playing music. They came after and because of a personal tragedy. She speaks quickly with a South London accent that is difficult to keep up with: "Man, I was there! I'd cracked it. I was playing with Art Blakey. I was the first female Jazz Messenger. And then . . . gone, all of it gone.

"I was supposed to go on tour with the Messengers, but I began to lose control of my facial muscles. I had MS. That was the most unfair thing God could ever do to somebody. How could he do that to me? It was Blakey's last band before he died. I mean, the only female Messenger. What a coup. I did three gigs in London with him, and then . . . and then Courtney Pine went off on the road instead of me.

"I mean, I was ready. I'd studied flute and clarinet at the Royal College of Music. MS affects your nervous system. I still have it, it won't go away. The shaking depends on your strength of mind, your diet — it depends on how bad your case is. Jacqueline DuPre [the classical cellist] died from it. But I'm not planning to die."

She laughs mischievously and looks you in the eye, daring you to contradict her: "I'm beautiful."

Seeing herself that way is part of what makes it true. Her dreadlocked hair fell out because of a "mistake" by a doctor: "A big mistake. It wasn't supposed to happen." She seems remarkably calm about it. Growing back now, still close to the scalp at this stage, the hair frames her face handsomely.

The eyes flash a winning smile as she describes how she kept from giving up. She started a music school in her front room. Now, 11 years later, Musicworks has 3,000 students in a converted warehouse in Brixton. It is primarily a neighborhood school although there are students from all over Britain: "All ages are welcome, even if they have not touched their instrument in 20 years. People can come here to get a degree or just rekindle."

There are some "for women only" classes because, she says, "women can be intimidated by men. I'm big and bold and I don't give a damn. Nobody can intimidate me. But if you're petite and feminine, you won't have a chance in this world. Certainly not the music world."

Although, as she told Wire magazine, there are not that many good women musicians around, on the other hand, she did not see why it should be necessary to have an all-woman band. "I've got nothing against feminism," she said. "But I don't see why you shouldn't use a man. It's not a novelty any more to have an all-woman band. The novelty now is to have a token man in the band."

She has her own personnel theory, and she's a good judge of character. She takes the best musicians she can find to execute the music at hand, regardless. The band she conducted here for the Berlin Jazz Festival featured Harry Beckett, from the Caribbean, on trumpet and Annie Whitehead, trombone; as well as sidemen from Germany. It was called the Jazz Africa Big Band. A year or so ago it had replaced her earlier formation, Gail Force.

Germany has been good to her. Her record company, Enja, is German. In 1995, the city of Duisburg produced an African heritage festival called "Vive Le Black." Gail Force performed under an "African Roots and Visions" banner. Abdullah Ibrahim, the South African pianist, and Manu Dibango's Soul Makossa band from Paris were on the same bill.

If not for the multiple sclerosis, Thompson would have been too busy making music to be able to drive through Africa with seven other people in a seven-ton Mercedes truck and a 15-year-old Land Rover: "We wanted adventure. We slept in sleeping bags or mud huts in the bush. We drove from Morocco across the Sahara on a sort of roundabout way to Kenya. I'm a great believer in self-education and I wanted to find out how these people got their sensibility. There's music when a baby is born; when somebody dies. When they work in the fields there's music. Music is not something to sit down and listen to, it's something to do."

She has started a promotional agency, organizing festivals in small towns and concerts in London's smaller venues. "I love my life," she says. "It's busy and it's free. I can be in front of my computer with a cup of tea designing a poster at 5 A. M. Then I go out and help put up the poster.

"People ask me how I do it. My mother instilled one word in me — fight. I was brought up that way. Right now I'm dealing with my conducting. It isn't good enough. It's too intellectual. I want it to be more entertaining. When people try to bring me down, I just tell them to go away and don't come back. Don't worry, I'll practice until it's right. There are many hours in a day, you just have to pick the right ones."

Patrick Hinely, Work/Play

Bandleader Gail Thompson at the Berlin Jazz Festival.

BOOKS

THE LAST BARBARIANS
The Discovery of the Source of the Mekong in Tibet

By Michel Peissel. Illustrated. 253 pages. $27.50. Henry Holt.

Reviewed by
Richard Bernstein

TWO stories are told in "The Last Barbarians," Michel Peissel's account of a 1994 expedition to Tibet to discover the source of the Mekong River. The first is a straightforward and interesting travel adventure by a French ethnologist who has been roaming the remote mountains of the world for four decades. The small international expedition he led to the source of the Mekong put him into the heroic tradition of Richard Burton and John Speke and the other explorers for whom finding the source of a great river was a kind of spiritual quest, an unlocking of one of the deepest secrets of nature.

Peissel's second story is a kind of spiritual-sociological one. It is about the slow disappearance of the people he deems to be the last barbarians, the savage and noble peoples of the Tibetan mountains and plateaus, a people, in his view, still uncorrupted and untainted by the softness, the comfort, the materialist inauthenticity of civilization.

"This was a world where men and women are still free to live out their destiny as nature intended," he says of the area in China's Western Qinghai Province where some small streams form the upper reaches of the Mekong. "We Westerners, on the other hand, have lost the paradise that haunts our dreams, that Garden of Eden from which we long ago banished ourselves in the name of comfort, greed and maybe also laziness."

Peissel's account of his 1994 expedition into Qinghai Province is so intrinsically exciting than this story cannot fail to grip the reader's imagination. But even readers with a soft spot for yarns of hard, purposive travel will find "The Last Barbarians" a somewhat weakly interesting account. Peissel, who speaks Tibetan and has made numerous expeditions to seldom-traveled parts of Tibet, is at his best when he simply tells us what he did and what he saw, as when a young Khamba tribesman materialized out of the endless plateau, riding up on a fine white steed, festooned with religious symbols and other elements of local decoration, and then just as quickly galloped off.

But Peissel is not more than an adequate stylist whose writing, except for rare occasions of fine and closely detailed observation, is not rich in description or characterization. More important, he is unable to resist the temptation to invest just about every experience he has with a cranky philosophical rumination, and he comes across as a good deal more sweepingly sophomoric than wise when he does so.

"There is nothing I loathe more than mediocrity, the hallmark of our Western civilization, which long ago lost the dynamic enthusiasm of our ancestors the Greeks," he writes in a typical passage, unmindful, it seems, that such a statement might exemplify some of the very mediocrity that he bemoans.

Still, what makes this book valuable is that Peissel, well known in exploration circles, was able to get permission from the Chinese government to tread in places where almost all other foreigners have been banned. Accompanied by two European companions and a contingent from the Qinghai Mountaineering Association (including a cautious and sometimes obstructionist Chinese guide), Peissel took a pair of four-wheel-drive Mitsubishis over the plateaus of Western Qinghai as far as a place called Moyun, elevation 15,026 feet. There the explorers switched to a team of 15 horses, led by a Tibetan guide and three muleteers.

Equipped with satellite maps and a hand-held global positioning system computer to determine elevation and location, Peissel's group pressed westward to the Mekong's source through a fabulously harsh landscape in what Peissel, no friend of China's repressive policies, calls "occupied Tibet."

As he takes the reader from one lonely Chinese garrison to another, Peissel recounts previous efforts to locate the source of the Mekong and Chinese moves to impose total control on the Tibetans. His account is partisan, Peissel being not just anti-Chinese and pro-Tibetan but also in favor of certain factions within Tibet, believing that the territory was sold down the river by those, including the Dalai Lama, who, in his view, tried too hard to accommodate the conquerors.

IT is in talking about Tibet generally that Peissel elaborates his theme of the "last barbarians," with whom he powerfully identifies. The Tibetan nomads — as opposed to city-dwelling Tibetans in the capital of Lhasa — are in his view the final holdouts against the encroachments of the sedentary way of life. "The last barbarians of Europe," Peissel writes, were the colonialist conquerors of the 19th century whose education had "taught them to despise comfort, love effort and draw a very straight line between right and wrong." In this sense, Peissel proclaims, "Maybe as one of them, I had become the last explorer, the last true barbarian."

New York Times Service

BEST SELLERS

The New York Times
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

FICTION

This Week		Last Week	Wks. on List
1	COLD MOUNTAIN, by Charles Frazier	1	23
2	THE GHOST, by Danielle Steel	2	4
3	CAT & MOUSE, by Charles Frazier	3	4
4	ANOTHER CITY, NOT MY OWN, by Dominick Dunne	4	3
5	THE LETTER, by Richard Paul Evans	5	7
6	VIOLIN, by Anne Rice	6	7
7	COMANCHE MOON, by Larry McMurtry	11	5
8	SURVIVAL OF THE FITTEST, by Jonathan Kellerman	7	3
9	LUCKY YOU, by Carl Hiaasen	8	5
10	THE MATARESE COUNTDOWN, by Robert Ludlum	10	7
11	THE GOD OF SMALL THINGS, by Arundhati Roy	13	18
12	THE CHRISTMAS BOX, by Richard Paul Evans		24
13	WOBEGON BOY, by Garrison Keillor	12	3
14	A CERTAIN JUSTICE, by P.D. James		1
15	MEMOIRS OF A GEISHA, by Arthur Golden		5

NONFICTION

1	MIDNIGHT IN THE GARDEN OF GOOD AND EVIL, by John Berendt	2	178
2	THE MAN WHO LISTENS TO HORSES, by Monty Roberts	7	17
3	ANGELA'S ASHES, by Frank McCourt	2	65
4	CITIZEN SOLDIERS, by Stephen E. Ambrose	4	4
5	THE PERFECT STORM, by Sebastian Junger	6	27
6	THE DARK SIDE OF CAMELOT, by Seymour M. Hersh	3	3
7	INTO THIN AIR, by Jon Krakauer	5	32
8	DIRTY JOKES AND BEER, by Drew Carey	10	10
9	DIANA: Her True Story-in Her Own Words, by Andrew Morton	8	8
10	CONVERSATIONS WITH GOD: Book 1, by Neale Donald Walsch	11	52
11	TUESDAYS WITH MORRIE, by Mitch Albom	14	8
12	WAIT TILL NEXT YEAR, by Doris Kearns Goodwin	15	6
13	THE MILLIONAIRE NEXT DOOR, by Thomas J. Stanley and William D. Danko	9	47
14	THE CELESTINE VISION, by James Redfield		6
15	THE ROYALS, by Kitty Kelley		10

ADVICE, HOW-TO AND MISCELLANEOUS

1	JOY OF COOKING, by Irma S. Rombauer, Marion Rombauer Becker and Ethan Becker	1	3
2	SIMPLE ABUNDANCE, by Sarah Ban Breathnach	2	88
3	MAKING FACES, by Kevyn Aucoin	3	4
4	MEN ARE FROM MARS, WOMEN ARE FROM VENUS, by John Gray	4	219

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THE WORLD'S DAILY NEWSPAPER

'Fidelio' and the Flip Side

By David Stevens
International Herald Tribune

PARIS — Among composers' first thoughts worth a second hearing is the body of music Beethoven wrote for his only opera, "Fidelio." By the time he finished, about a decade after he had begun, there were three versions of the opera and four overtures that are often heard in the concert hall.

The production team of Patrice Caurier and Moshe Leiser and three theaters have joined this season in staging the final version (at the Welsh National Opera) and the first version (at the Lausanne Opera) and in bringing the two together to be seen and heard side by side, as it were, in a series of performances at the Theatre des Champs-Elysees.

Whenever Beethoven rewrote, which he did a lot, he tightened, and the final "Fidelio" of 1814 — the one that holds its place in the repertory today — is a good 40 minutes or so shorter than the one first heard by a sparse audience in a Vienna occupied by Napoleon's troops in late 1805.

On the cutting-room floor were a number of conventional Singspiel-like scenes, and a lot of what remained was rewritten to the point that the whole spirit of the work was transformed. The original (titled "Leonore" by modern custom, to distinguish it from the final version) is a fairly straightforward, anecdotal "rescue" opera of the kind familiar to the Viennese through the operas of Cherubini and others. The final "Fidelio" is a flaming manifesto against tyranny and an ecstatic testimonial to conjugal love.

There is no question which is the better, musically or dramatically. Yet on successive evenings with the same conductor (the excellent Louis Langree), the same orchestra (the Orchestre des Champs-Elysees, playing with period instruments), and the same basic set by Christian Fenouillat, it was "Leonore" that fared better.

Maybe the dice were loaded. The orchestra sounded healthy and the period instruments appropriate for "Leonore" and anemic for "Fidelio," and the different audiences reacted accordingly. We know that Beethoven was perennially dissatisfied with the puny Viennese pianos of the day, and it is not unreasonable to suppose that he would have liked the bigger sounds of modern instruments.

And while the sloping stage floor was the same for both, the vertical arrangements were different and more effective for "Leonore," as were the stage movements and the conventional costumes for "Leonore" as against the modern dress "Fidelio." Not to mention the frontier justice meted out to the evil Don Pizarro in "Fidelio," marched off the stage and presumably dispatched by the ensuing gunshot. Nor was the lighting much help, with Florestan's dungeon getting as much candlepower as the supposed sunlight of the prison courtyard.

Overall the two casts were evenly matched, although Elisabeth Meyer-Topsoe was fighting vocal indisposition in the title role of "Fidelio" while Susan Anthony's Leonore radiated good health. Hubert Delamboye and Christopher Ventris were stalwart Florestans, and the deeper voices were those of solid veterans, Robert Hale and Hartmut Welker the Pizarros. Kurt Rydl and Laszlo Polgar the Roccos, Stafford Dean and Hanno Mueller-Brachmann the Don Fernandos. Elzbieta Szmytka and Mathias Zachariassen doubled as Marzelline and Jacquino in both, as the richly sonorous Welsh National Opera chorus.

BY a coincidence of scheduling, the Orchestre de Paris continued its Beethoven cycle under Wolfgang Sawallisch with, among other works, the oratorio "Christ on the Mount of Olives." Beethoven wrote it just before the first version of "Leonore/Fidelio," when he not only had living quarters in the Theater an der Wien, but was paying the rent by writing works that used the theater orchestra and chorus at his disposal.

It does not get much of a hearing these days, but the hand of the master is there intermittently in this first, hastily written religious-dramatic work. Eva Mei, David Kuebler and Jan-Hendrik Rootering were the fine soloists and the orchestra and chorus gave a full-voiced account of the work under Sawallisch.

CROSSWORD

ACROSS
1 Obsessive whaler
5 Zeno follower
10 N.F.C. division
14 Fraternity party wear
15 Follow
16 Tell it to the judge
17 Quip, part 1
20 Slangy turndown
21 City on the Puyallup River
22 Energy provider, in slang
24 Islets
25 Third degree?
28 Moody's best
29 Bear, in Madrid
30 Noisy trains
33 War party's act
35 Put some teeth into
37 "Oliver Twist" villain
39 Quip, part 2
42 Ring-tailed animal
43 Submarine, on sonar
44 Impressionist
45 Reunion attendees
48 For
48 Put down, modern-style
50 Uno, due, ——
51 Top
52 Cigar ending
54 Vituperated
57 —— corpus
61 Quip, part 3
65 Stretched (out)
66 Be in store for
67 Louis Joliet, discovery of 1669
68 Relinquish
69 Yards
70 Clears

DOWN
1 Memb starter: Abbr
2 Christmas exclamation
3 Old-timers, with "the"
4 Kind of training
5 Not exactly first cabin
6 ——-la-la
7 Kind of finish
8 Treacherous, as roads
9 Fronton equipment
10 Heroic tales
11 Ray of Hollywood
12 Appear
13 O'Hara spread
18 Final Four org.
19 Joke's punchline, e.g.
23 Smallish ballpark
24 Sturdy leather
25 Puncture
26 Capital NE of Vientiane
27 Sofa
30 Land called "Mitzraim" in the Bible
31 Bottle size
32 Zzzz
34 E, in Morse
36 It borders Fla.
38 It borders Fla.
40 Fur scarf
41 Insults
47 Modern phone feature
49 Puncture
51 In reserve
53 "The Beverly Hillbillies" actor
54 —— plaisir
55 Pedal
56 Not mint
58 Cork's locale
59 Busy
60 Dates
62 Northwest competitor
63 Adage
64 Carry the day

Solution to Puzzle of Dec. 16

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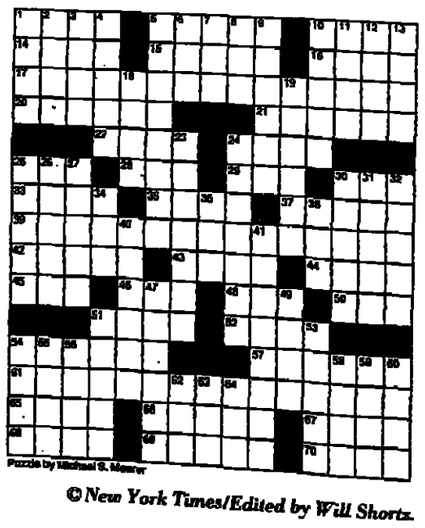

Puzzle by Michael S. Maurer

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MTV Seeks a New Beat: Grow Up but Stay Cool

By Paul Farhi and Heather Salerno
Washington Post Service

NEW YORK — At the ripe old age of 16, something funny seems to be coming over MTV, the U.S.-based cable channel of the young and relentlessly hip: It is trying to grow up.

The network of "Beavis and Butt-head" and the anything-goes music video is undergoing one of the most extensive retoolings in its history. It has a new playlist, some new management and a clutch of new programs — in short, a new attitude.

The makeover follows some prolonged soul-searching by MTV's top executives, who are under pressure from the corporate parent, Viacom Inc., to keep the network's huge profits soaring ever higher. In that regard, they have been asking themselves a question that may have occurred to viewers: Is MTV still cool?

"We've had to challenge our assumptions," said MTV's president, Judy McGrath, who at 45 is by far the oldest of the network's youthful cadre of senior managers. She added, "We needed a different tone, one that maybe isn't so frantic, not so noise-driven."

In what amounts to an epochal change, the network last month ended original episodes of "Beavis and Butt-head," its long-running — and often MTV-parodying — cartoon about a couple of moronic adolescents. It is also dropping "Singled Out," the smirky, smutty game show.

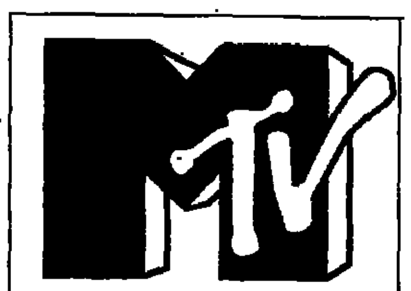
Among the recent entries are "Daria," an animated cartoon about a smart, sharp-tongued teenager, and "Austin Stories," MTV's first sitcom, about three younger-than-Generation-X young people.

The music videos, always MTV's bread and butter, are changing, too. Out: grunge — the brooding, I-hate-my-life sound that rose to popularity in the early 1990s. In: more upbeat pop, electronic dance and alternative music. Out: "MTV Unplugged," the live acoustical performance show that will fade from view early next year. In: "Live From the 10 Spot," a weekly performance program that has featured the likes of David Bowie, the Rolling Stones and Jane's Addiction.

The network still airs its share of titillating and controversial videos, but it has added some grown-up rock music commentary from the "veejay" Matt Pinfield.

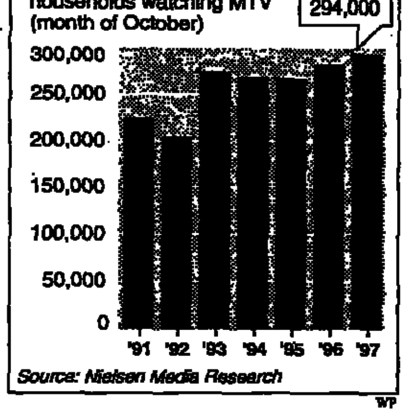
The network also is giving a weekly slot to "MTV News Presents," which focuses on youth-oriented social issues, such as heroin abuse and teen pregnancy, and is overhauling "The Week in Rock" after a decade on the air. It is even considering adapting novels and other books as regular programs.

"We're going to try some insanely stupid things," said Brian Graden, 34, the network's top programming executive. "If you don't try to turn everything upside down, if you don't take some risks, you'll never get real greatness."



Appealing to Advertisers

MTV viewership has grown modestly over the past few years, but its young audience continues to be a major draw for advertisers.



Source: Nielsen Media Research

WP

MTV has European and Asian services, but they are programmed separately, so not all of the changes will be reflected abroad immediately. For example, "Beavis and Butt-head" and

See MTV, Page 14

Indonesia's Troubles Aren't Over

Standard & Poor's Warns Loan Defaults Will Strain Banking Sector

By Michael Richardson
International Herald Tribune

SINGAPORE — In a blow to Indonesia's troubled financial system, a leading international credit rating agency warned Tuesday that loan defaults by Indonesian companies would soon rise sharply, putting banks under severe strain.

Standard & Poor's Corp. said "nonperforming loans" — those that are not being repaid — would climb sharply in the first half of 1998 and total "at least" 16 percent of total Indonesian bank loans by the end of the year.

This is double the level forecast four months ago, when the rupiah started to fall rapidly against the dollar.

The U.S.-based company said that as a result, it might cut its credit ratings for three of Indonesia's four largest publicly traded banks because the collapse of the rupiah will make it more difficult for their corporate clients to repay foreign-currency loans.

Indonesian companies have at least $65 billion in foreign debt, according to the government, about $34 billion of which must be repaid or rolled over with the agreement of lenders within the next 12 months.

S&P said that a "substantial portion" of the corporate and commercial customers of major Indonesian banks had foreign-currency borrowings that were unhedged or underhedged.

A scramble by companies for U.S. dollars to cover their borrowings and pay for imports has helped drive the rupiah to record lows in recent days, despite a standby loan worth nearly $40 billion that was arranged for Indonesia last month by the International Monetary Fund to restore currency stability and investor confidence.

On Tuesday, the dollar rose to 5,675 rupiah from 5,550 on Monday.

The currency has plunged about 58 percent against the dollar this year, 35 percent in the past two weeks.

Analysts said that further falls in the rupiah were likely because of doubts about government resolve to reform the banking system, increasing corporate difficulties in meeting debt repayments to banks and lingering worries about the health of President Suharto.

Neil Saker, head of Southeast Asian economic research at SocGen-Crosby Securities Pte., said that because of the lack of confidence in the financial system, foreign depositors wanted their hard-currency loans refunded by Indonesian banks; in turn, the banks were "hassling" Indonesian companies for repayment.

He said that many companies were "technically bankrupt" because their effective loans were worth more than their capital and assets.

"A lot of Indonesia's banks will go under," Mr. Saker said. "That will exacerbate the currency difficulties. It's going to get worse before it gets better."

PT Bank Danamon, PT Bank Negara Indonesia and PT Bank International Indonesia were the three banks listed for possible downgrade by Standard & Poor's on Tuesday. The smaller PT Bank Umum Nasional was put on the same "credit watch" list.

S&P said that 12 other leading Indonesian banks would also be included in a major review of the sector to be completed by the end of January.

Shortly after the IMF loan was agreed upon, Indonesian authorities announced they were shutting 16 of the country's 240 banks in what many investors hoped would be the start of a promised clean-up of the financial sector.

But there has been no further action despite what analysts say is a clear need for further closures of insolvent banks and the merger of others. Many of the banks are owned or controlled by groups that have close ties to the government.

"Having fewer but financially stronger banks is the only way to regulate them effectively," said Seema Desai, regional economist in the Singapore office of Schroder Securities. "Unfortunately, it seems that crony capitalism is so deeply entrenched that even in a crisis situation the Indonesian finance ministry and central bank, backed by the IMF and the World Bank, can't enforce the needed change."

Until midyear, Indonesian companies were able to take advantage of relatively low offshore interest rates to borrow in U.S. dollars and other foreign currencies in the expectation that such loans could be repaid at a rate of exchange similar to that applying when the money was lent.

A Spanish Family Firm Scents Success as It Buys Haute Couture's Ricci

By Suzy Menkes
International Herald Tribune

PARIS — In yet another shake-up in the world of haute couture, the house of Nina Ricci has been sold by the French pharmaceutical giant Sanofi SA and bought by the Spanish perfume company Puig Group.

Puig, which is based in Barcelona and is one of the few remaining independent, family-owned fragrance houses on an international level, announced Tuesday that it had taken control of Ricci from its owners, Sanofi and the Fuchs and de Kousmine families.

Gilles Fuchs is president of Ricci.

Layoffs among couture workers and decreasing revenue at Ricci — sales fell 5 percent last year, to 1.1 billion French francs ($185.1 million) — had led to persistent rumors that Sanofi, which is controlled by the oil company Elf Aquitaine SA, was putting the unprofitable 65-year-old couture house on the block, although sources in Paris say this year's figures are encouraging.

Puig, which had revenue of $500 million in 1996, declined to say how much it had paid for Ricci, but Mariano Puig Jr., grandson of the founder and chief executive of Paco Rabanne Paris, described it as a "fair price."

Ricci will now be directly associated with Paco Rabanne, one of Puig's success stories.

The Spanish parent has steered sales of the French couturier's fragrances to projected 1997 revenue of 520 million francs.

Rabanne has taken a one-third stake in Ricci, with other Puig companies making up the rest.

The sale underlines the reality of the modern couture business: that it is essentially about perfume, not clothing, and that only clearly focused, specialist companies with big bucks to spend can compete in the luxury business.

Ricci's cash cow is L'Air du Temps, one of the world's perennial top 10 fragrances, which is celebrating its 50th anniversary this year.

Once the sale of Ricci is concluded Jan. 8, Sanofi will have left in its beauty stable only one big star: Yves Saint Laurent Parfums, which had sales of 2.49 billion French francs in 1996.

Sanofi's minor brands are the perfumes of Fendi, Krizia, Oscar de la Renta, Roger & Gallet and Van Cleef & Arpels.

In spite of the fact that Sanofi has reported good third-quarter results for 1997, with beauty sales up 6 percent in the first nine months over the previous year, industry sources say that in the long term, Sanofi is likely to concentrate on its health-care sector.

Industry sources say the company might get out of fragrances altogether after its contract with Yves Saint Laurent and his partner, Pierre Berge, expires in 2002.

Puig, by contrast, which has the delicate touch needed for dealing with designer divas and changing fashions, is looking to expand its upscale sector, which includes the fragrances of the American designer Carolina Herrera.

Although it has a mass business in soap, toiletries, personal hygiene and beauty products, it holds the No. 1 fragrance position in Spain with 20 percent of the market, and it called Ricci a growth opportunity.

"We see growth," Mr. Puig said, "but at our own pace. We don't belong to a big organization, and we have the time and the will to go for the medium and long-term and to find the potential of the brand."

Mr. Puig is one of the third generation of a company that has been managed by the four sons of Antonio Puig, who died in 1979.

Who Owns the Information on the Net?

Critics Say U.S. Copyright Proposals Go Too Far in Protecting Media Giants

By Denise Caruso
New York Times Service

NEW YORK — Will new copyright laws destroy the global village to save it?

Delegates to the World Intellectual Property Organization of the United Nations, who last gathered long before the Internet or even the personal computer reached global prominence, are now convened in Geneva to decide whether to ratify controversial changes to international copyright treaties.

Intended to crack down on the flow of unauthorized information over data networks, two of the treaties — dealing with literary and artistic works, and with music recordings — were proposed by the U.S. Patent and Trademark Office.

The Patent and Trademark Office says its proposals are necessary to protect the financial assets of information providers in the age of the Internet.

But legions of opponents — including the Library of Congress, which administers copyrights — do not agree with the Patent Office. They worry that the new treaties, if adopted, would not be in the spirit of American copyright law, which was intended to balance profit against society's need for information.

Other critics fear that the rule changes would make network service providers responsible for the legal status of every electronic communication that passes through their systems.

The U.S. proposals are not new. The Patent Office tried last year to win congressional approval for a set of similar changes to domestic copyright law, under failed legislation called the National Information Infrastructure Copyright Protection Act of 1995.

But instead of retreating from that failure, the Patent Office took the matter to Geneva. "If this issue is placed in an international context, it certainly should

NEWS ANALYSIS

be more persuasive" to Congress, Bruce Lehman, commissioner of patents, said in a July interview.

This unprecedented move as well as the proposals themselves have stirred controversy on both sides of the Atlantic.

For one, if the treaties are ratified in Geneva, there will be no further possibility of changing them until the organization convenes again, which is usually once every decade or so.

The proposals, critics say they define copyright violation far too broadly. Under strict interpretation, simply calling up a digitized image or article on a computer screen — the very act that defines browsing the Internet — would constitute creating a "copy," even if the information existed only as electrons in a computer's memory, or was stored in a temporary bin on a viewer's hard disk.

"On the Internet, then, everyone becomes an infringer," said Mark Radcliffe, a copyright attorney and co-author of The Multimedia Law & Business Handbook.

The question of who would be responsible for policing this new generation of infringers is so troublesome to some American executives that last week, chief executives from 11 leading Internet, on-line and communications companies sent President Bill Clinton a letter protesting the proposed treaty.

The result, the letter said, would be sharply increased costs for Internet and on-line services, less privacy for users and "reduced connectivity among 'information have-nots' in our society and throughout the world."

The main beneficiaries of the new copyright rules are the highest-stake copyright holders: rich, politically powerful entertainment and media conglomerates, which fear that pirated material will destroy the lucrative international market for products that can be digitally copied and distributed globally.

Critics of the proposed copyright restrictions ask: Why not put the burden of protecting digital material on the entertainment companies who profit from it?

Many other forms of intellectual property, including movies transmitted over cable television networks, are already protected.

In the digital world, software companies are already using various data encryption technologies to protect products for distribution over the network.

But if the Internet is instead governed by overly broad copyright laws and enforcement techniques, the network may end up being a safer place for "The Lion King" than for the people who use it.

Global Private Banking

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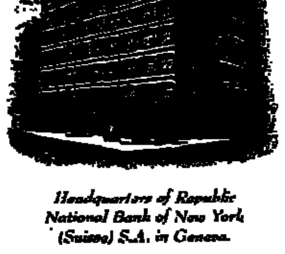

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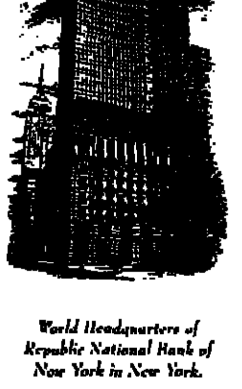

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CURRENCY & INTEREST RATES

Cross Rates

Dec. 16

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	2.0105	3.284	1.127	0.3365	0.115*	—	5.4605*	1.3936	1.5345*	1.414	1.3315*
Brussels	36.73	60.155	20.6365	6.142	2.1057*	18.3735	—	25.545	0.2806	25.9575	24.38
Frankfurt	1.7813	2.9043	—	0.2986	0.1021*	0.8873	4.8462*	1.2283	1.3802*	1.2528	1.1815*
London (a)	1.6334	—	2.9149	9.7623	2,857.51	3.2853	60.1530	2.3573	213.122	2.3249	246.79
Madrid	150.885	246.948	84.648	25.275	8.630*	75.188	4.1085	104.818	115.048*	104.093	—
Milan	1,742.59	2,846.50	980.85	292.71	—	870.80	47.51	1,214.18	13.292	1,226.20	11.588
New York (b)	—	1.6355a	1.7884	5.9659	1,747.00	2.0025	36.76	1.4386	132.77	1.4256	150.865
Paris	5.9898	9.735	3.3491	—	0.3418*	2.9717	0.1623	4.1472	4.5519*	4.1976	3.957*
Tokyo	133.10	214.11	73.75	22.03	0.752	65.45	3.5751	91.30	—	92.96	0.8717
Toronto	1.4243	2.3299	0.7995	0.2387	0.0816*	0.7091	0.3874*	0.9885	1.0885*	—	0.944*
Zurich	1.4427	2.3556	0.8085	0.2414	0.0825*	0.7175	3.9191*	—	1.102*	1.014	0.955*
1 ECU	1.106	0.6783	1.9715	6.6028	1,931.89	2.2219	40.6885	1.5921	145.856	1.573	166.856
1 SDR	1.3471	0.8264	2.3996	8.042	2,353.80	2.7062	49.2806	1.9368	176.54	1.9156	203.227

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York at 4 P.M. and Toronto rates at 3 P.M.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9999	Greek drac.	281.11	Mex. peso	8.111	S. Afr. rand	4.8855
Australian $	1.5411	Hong Kong $	7.7489	N. Zealand $	1.7286	S. Kor. won	1425.0
Austrian sch.	12.541	Hung. forint	201.26	Norw. krone	7.308	Swed. krona	7.7807
Brazil real	1.1126	Indian rupee	39.036	Phil. peso	40.50	Taiwan $	32.81
Chinese yuan	8.31	Indo. rupiah	5675.0	Polish zloty	3.55	Thai baht	46.75
Czech koruna	34.72	Irish £	0.6931	Port. escudo	181.53	Turkish lira	199620.
Danish krone	6.7934	Israeli shek.	3.5424	Russ ruble	5939.0	UAE dirham	3.671
Egypt. pound	3.4033	Kuw. dinar	0.3051	Saudi riyal	3.75	Venez. boliv.	502.00
Fin. markka	5.375	Malay. ring.	3.8695	Sing. $	1.7022		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6255	1.6232	1.6206	Japanese yen	130.44	129.74	129.17
Canadian dollar	1.4190	1.4177	1.4164	Swiss franc	1.4395	1.4390	1.4385
Deutsche mark	1.7799	1.7768	1.7740				

Sources: ING Bank (Amsterdam); Cera Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates

Dec. 16

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 9/16 - 5 5/8	3 9/16 - 3 3/4	1 5/16 - 1 7/16	7 3/8 - 7 1/2	4 1/16 - 4 3/16	3/8 - 1	4 1/8 - 4 1/4
3-month	5 3/4 - 5 7/8	3 11/16 - 3 3/4	1 3/8 - 1 1/2	7 9/16 - 7 11/16	3 1/4 - 3 3/8	1/2 - 1	4 3/16 - 4 5/16
6-month	5 3/4 - 5 7/8	3 13/16 - 3 15/16	1 9/16 - 1 11/16	7 11/16 - 7 13/16	3 13/16 - 3 15/16	1/2 - 1	4 5/16 - 4 7/16
1-year	5 7/8 - 6	3 15/16 - 4 1/16	1 5/8 - 1 3/4	7 5/8 - 7 3/4	3 7/8 - 4	1/4 - 5/16	4 3/8 - 4 1/2

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/2	8 1/2
Federal funds	5 9/16	5 9/16
90-day CDs dealers	5.80	5.79
180-day CP dealers	5.57	5.57
3-month Treasury bill	5.09	5.09
1-year Treasury bill	5.18	5.18
2-year Treasury bill	5.66	5.65
5-year Treasury note	5.73	5.73
7-year Treasury note	5.75	5.75
10-year Treasury note	5.76	5.77
30-year Treasury bond	5.96	5.96
Merrill Lynch 30-day RA	5.10	5.10
Japan		
Discount rate	0.50	0.50
Call money	0.29	0.27
1-month interbank	0.95	0.95
3-month interbank	0.92	0.92
6-month interbank	0.92	0.92
10-year Govt bond	1.91	1.89
Germany		
Lombard rate	4.50	4.50
Call money	3.47	3.46
1-month interbank	3.75	3.75
3-month interbank	3.76	3.76
6-month interbank	3.86	3.86
10-year Bond	5.29	5.29

Britain	Close	Prev
Bank base rate	7 1/4	7 1/4
Call money	7 5/16	7 5/16
1-month interbank	7 9/16	7 1/2
3-month interbank	7 3/4	7 3/4
6-month interbank	7 13/16	7 3/4
10-year Gilt	6.28	6.26
France		
Intervention rate	3.30	3.30
Call money	3 3/8	3 3/8
1-month interbank	3 1/2	3 7/16
3-month interbank	3 5/8	3 9/16
6-month interbank	3 13/16	3 13/16
10-year OAT	5.29	5.28

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

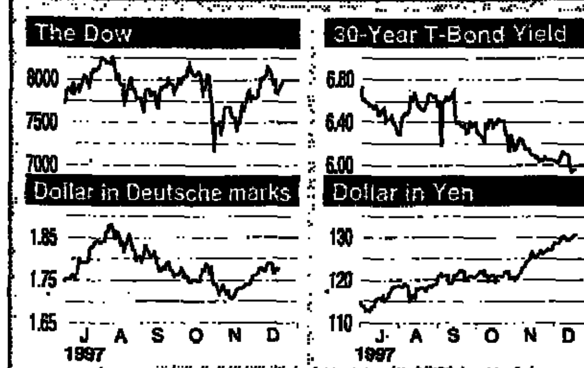
	A.M.	P.M.	Ch'ge
Zurich	N.A.	285.25	+1.00
London	283.25	285.50	+1.90
New York	286.60	285.40	—1.00

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Feb.)

Source: Reuters.

THE AMERICAS

Investor's America



Exchange	Index	Tuesday 4 PM	Prev. Close	% Change
U.S.	The Dow	7976.31	7922.59	+0.68
U.S.	S&P 500	968.04	963.39	+0.48
U.S.	S&P 100	462.65	460.26	+0.52
U.S.	NYSE Composite	506.75	504.58	+0.43
U.S.	Nasdaq Composite	1553.01	1537.35	+1.02
U.S.	AMEX Composite	668.88	665.35	+0.53
Toronto	TSE Index	6567.46	6581.80	-0.22
São Paulo	Bovespa	9742.76	9550.84	+2.01
Mexico City	Bolsa	5083.40	4977.25	+2.13
Buenos Aires	Merval	674.49	671.27	+0.48
Santiago	IPSA General	4795.74	4818.41	-0.47
Caracas	Capital General	8417.75	8382.38	+0.42

Source: Bloomberg, Reuters — International Herald Tribune

Very briefly:

• **Intel Corp.** and **Sun Microsystems Inc.** said Sun's Solaris version of the Unix operating system would be able to run on Intel's next-generation Merced microprocessors. The latest endorsement of the powerful chip also helps Sun's SunSoft unit to fend off the onslaught of Microsoft Corp.'s Windows NT operating system into the Unix market, analysts said.

• **Citicorp** was one of the two finalists in the bidding for **AT&T Corp.'s Universal Card** unit, according to sources.

• **AirTouch Communications Inc.** has bought 5 percent of **Airtel SA**, raising its stake in Spain's second-largest cellular telephone company to 21.7 percent, AirTouch said.

• **True North Communications Inc.** persuaded a judge to block **Publicis SA's** hostile takeover effort while he decides whether the French giant's bid violates a partnership agreement between the advertising companies.

• ***Chase Manhattan Corp.*** *split the office of the chairman* between Walter Shipley, the current chairman, and Thomas Labrecque, president and chief operating officer.

• **Honda Motor Co.'s** U.S. unit filed suit in federal court in Denver to try to block the $82.5 million sale of the auto dealerships belonging to the Denver Broncos quarterback John Elway to **Republic Industries Inc.**

• **Latin America** had a record $45 billion in foreign direct investment in 1997, up from $34.5 billion in 1996, according to BBV LatInvest. *Bloomberg, Reuters*

Boeing to Cut Jetliner Work Force

Bloomberg News

SEATTLE — Boeing Co., after two years of struggling to hire and train enough workers to meet demand, said Tuesday that it planned to cut employment at its commercial airline unit by 12,000 jobs, or 10 percent, mostly by attrition.

The company also said it expected to have completed a total of 335 jetliners for delivery in 1997, although some customers may not actually take possession of the planes this year.

Soft Economy In Germany Helps Dollar

Bloomberg News

NEW YORK — The dollar rose against the Deutsche mark and most other European currencies Tuesday after reports of falling prices and business confidence in Germany reinforced expectations that interest rates there are on hold.

"The numbers say the economy is soft," said Earl Johnson, an international economist at Bank of Montreal in Chicago. "There's a reduced prospect for rate hikes. And that's positive for dollar-mark."

FOREIGN EXCHANGE

The Federal Reserve Board's Open Market Committee left U.S. rates unchanged Tuesday.

The dollar, which has risen 16 percent against the mark this year, rose to 1.7804 DM in 4 P.M. trading from 1.7760 DM on Monday.

The dollar was unchanged at 130.77 yen, as traders waited for signs that an economic stimulus package approved by Japan's government would lift the economy from a six-year slump.

In other trading, the won rallied for a second day after the South Korean government lifted restrictions on currency trading, fueling optimism that the worst of the country's financial crisis may be ending. The currency has risen 19 percent in the last two days.

Meanwhile, the Philippine peso, Malaysian ringgit and Indonesian rupiah plunged to new lows.

Against other major currencies, the dollar rose to 5.9659 French francs from 5.9495 francs and to 1.4396 Swiss francs from 1.4325 francs.

The pound rose to $1.6355 from $1.6335.

Fed's Inaction Gives Impetus to Wall Street

Compiled by Our Staff From Dispatches

NEW YORK — Stocks continued to rebound Tuesday from a sell-off last week, buoyed by economic reports that indicate a growing U.S. economy with low inflation and by the Federal Reserve Board's decision to leave interest rates unchanged.

The Dow Jones industrial average finished up 53.72 points at 7,976.31, with advancing issues outnumbering decliners by 4-to-3 ratio on the New York Stock Exchange.

Broader market indexes also finished higher. The Standard & Poor's 500-stock index ended at 968.04 points, up 4.65, and the Nasdaq Composite Index finished at 1,553.01, up 16.45.

Bond prices were lifted by the news that the Federal Open Market Committee, the central bank's monetary policy panel, would leave the benchmark rate on overnight loans between banks steady at 5.5 percent.

It has been at that level since late March, when policymakers nudged it a quarter percentage-point higher to ensure that very strong economic growth did not result in increased inflation.

Growth has not slowed much since then, but inflation has remained subdued. Any further increase now in U.S. interest rates probably would deepen Asia's turmoil by weakening the value of Asian currencies in comparison with the dollar, analysts said.

"Their No. 1 concern is the fallout from Asia," said Mark Zandi of Regional Financial Associates. "They're not going to move as long as Asian financial markets remain as fragile as they are today."

If not for Asia, many analysts say the Fed already would have sought to cool the U.S. economy with higher rates. Unemployment in November, at 4.6 percent, was at a 24-year low, and the scarcity of qualified workers propelled a wage gain of more than 4 percent over the past year.

On Tuesday, the Commerce Department said construction starts on homes and apartments rose surprisingly in November as building hit its strongest pace in nine months.

Also Tuesday, however, the Labor Department reported that the consumer price index — the broadest gauge of costs for good and services — rose a smaller-than-expected 0.1 percent in November. That indicates an annual inflation rate at its lowest level in more than a decade.

Falling gasoline and transportation costs accounted for the showing, Labor Department figures showed. The closely watched core rate of the

U.S. STOCKS

index, which excludes food and energy costs, also rose 0.1 percent in November. In October, the index and core rate both increased 0.2 percent.

Competition and consolidation, as well as the advent of money-saving technology and cheap imports, are restraining prices, analysts said.

In another indication of the growing economy, the American Bankers Association said the number of credit-card holders who fell behind on payments declined in the third quarter as banks continued to tighten lending standards.

High-tech, brokerage, building material and drug stocks all showed gains, as did 19 of the 30 Dow industrials, led by IBM. Caterpillar led Dow losers, falling on news that the maker of farm equipment had agreed to buy Perkins Engines for about $1.33 billion.

Steady-growing companies, perceived as "safe" in the midst of Asian economic turmoil, rose to records. General Electric rose after Chief Executive John Welch said late Monday that the company would increase its cash holdings to about $5 billion in 1998 and streamline GE Capital's operating costs.

Micron Technology rose after reporting disappointing earnings. Prices for the type of memory chips it makes may have reached bottom, investors say.

PepsiCo fell after an analyst for Morgan Stanley, Dean Witter, Discover & Co. cut his earnings estimates for the beverage giant to reflect increased advertising and marketing expenses.

The price of the benchmark 30-year bond was up 11/32 at 102 17/32, shaving the yield to 5.96 percent from 5.95 percent Monday. The two-year note yield — among the most sensitive to changes in Fed rate policy — rose to 5.67 percent from 5.65 percent Monday. *(AP, Bloomberg, Reuters)*

RJR Nabisco to Cut 3,000 Jobs in Tobacco Unit

Compiled by Our Staff From Dispatches

NEW YORK — RJR Nabisco Holdings Corp., under fire at home and abroad for the health consequences of smoking, said Tuesday that it was eliminating nearly 3,000 jobs, or about 10 percent of its worldwide tobacco work force.

The bulk of the cuts will come from its international tobacco operations, where about 2,600 jobs are being eliminated.

An additional 390 jobs are being cut in the United States at its domestic headquarters and at a processing plant, both in North Carolina. The plant is to be closed.

RJR said its cutbacks were part of a restructuring aimed at making its tobacco business more profitable by cutting costs and redirecting its spending to where prospects are more appealing for selling Camels, Winstons and its other cigarette brands.

The cuts come a week after Philip Morris Cos., the world's leading tobacco company, announced it was eliminating 2,500 jobs from its international food business.

Steven Goldstone, RJR Nabisco chairman and chief executive, said the restructuring would result in savings in excess of $170 million a year starting in 2000. But the move will result in one-time expenses that will reduce RJR's earnings in the fourth quarter by about $310 million, or 95 cents a share.

"The company's had its problems," said Davenport & Co. analyst John Maxwell. "Every year they're writing off something, and changing something."

Internationally, the reorganization also includes changes in distribution and the disposal of nonstrategic assets, the company said.

A company spokeswoman said RJR plans to have the bulk of these moves completed by the end of 1998. The spokeswoman said she did not know in what countries the layoffs would take place.

Shares in RJR Nabisco closed Tuesday in New York at $36.25, down 12.5 cents. *(AP, Bloomberg)*

MTV: *As Audience Changes Outlook, Hip Cable Channel Seeks a Way to Grow Up but Stay Cool*

Continued from Page 13

"Singled Out" will last longer in Europe and Asia before fading out. Some, but not all, of the new shows will be picked up overseas.

MTV's evolution — a matter of keen interest to the $12 billion-a-year record industry, which needs the network to promote its products — may say much about the state of America's youth and the pressure on MTV to change with it.

Since its inception, MTV has both reflected and shaped the mood and fads of the "MTV generation," primarily 14- to 24-year-olds, its core audience.

While generalizations are always suspect, MTV executives suggest the youth market's cultural barometers generally are pointing away from Generation X alienation to a lighter, brighter and more traditional outlook. The improving U.S. economy may be nudging it that way, they said.

MTV is changing its tune at a time when its Nielsen ratings remain relatively healthy and its coffers are brimming.

The network is a cash cow for Viacom, the media and entertainment conglomerate that also owns Blockbuster Video, Paramount Pictures, and the Nickelodeon and VH-1 cable channels. MTV had an operating profit of about $200 million in 1996 on revenue of $430 million, according to Paul Kagan Associates, a cable industry research firm. The firm estimates that MTV's revenue has nearly doubled since 1994.

A strong ad market and rising fees from cable TV operators were the main reasons for MTV's 46 percent profit margin, but MTV also benefits from having a cheap supply of programming. It gets most of its videos from record companies for free.

While MTV's audience has not grown much — fewer than 300,000 households tune in on a daily basis — its heavy concentration of young viewers continues to make it a darling among advertisers.

But MTV is under the gun to do even better. With Viacom's Blockbuster chain staggered by losses and write-offs, and its Simon & Schuster book-publishing arm growing only slowly, Ms. McGrath and Mr. Toffler acknowledge that MTV and the company's other cable TV networks have to be the locomotives pulling the corporation.

"There's no doubt this is a different MTV," said Jeffrey Flathers, a media analyst with Paul Kagan Associates. "The issue confronting them is who is their core audience, and which programs are indispensable for serving that audience."

In fact, MTV's shift carries some risk. Whereas sitcoms and other entertainment shows usually draw higher ratings than music videos for MTV, the strategy could turn away viewers who simply want more music from their MTV.

AMEX

Tuesday's 4 P.M. Close

The 300 most traded stocks of the day, up to the closing on Wall Street.

The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	7960.14	8019.82	7922.59	7976.31	+53.72
Trans	3283.96	3289.38	3247.65	3255.42	-14.98
Util	263.88	264.86	263.41	264.04	+0.19
Comp	2608.23	2618.34	2598.56	2604.43	+5.42

Standard & Poors

	High	Low	Previous Close	Today 4 P.M.
Industrials	1115.01	1101.20	1112.23	1119.85
Transp.	699.85	686.40	694.61	694.24
Utilities	224.50	221.14	224.41	224.52
Finance	119.70	117.35	119.25	118.89
SP 500	965.96	953.39	963.39	968.04
SP 100	460.97	454.64	459.86	462.65

NYSE

	High	Low	Last	Chg.
Composite	508.49	504.12	506.75	+2.43
Industrials	[illegible]	[illegible]	[illegible]	[illegible]
Transp.	[illegible]	[illegible]	[illegible]	[illegible]
Utility	[illegible]	[illegible]	[illegible]	[illegible]
Finance	497.05	493.34	496.36	-0.23

Nasdaq

	High	Low	Last	Chg.
Composite	1560.98	1540.98	1552.91	+16.43
Industrials	1192.97	1181.48	1189.61	+10.59
Banks	2065.99	2047.14	2056.52	+10.47
Insurance	1808.06	1785.11	1798.94	+4.36
Finance	2454.58	2436.47	2444.53	+11.47
Transp.	1044.36	1030.74	1038.29	-2.79

AMEX

High	Low	Last	Chg.
669.44	664.95	668.88	+3.61

Dow Jones Bond

	Previous Close	Today Noon
20 Bonds	105.11	105.16
10 Utilities	102.73	102.86
10 Industrials	107.49	107.47

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
Compaq s	104670	[illegible]	[illegible]	[illegible]	[illegible]
PepsiCo	68524	[illegible]	[illegible]	[illegible]	[illegible]
MicrnT	68487	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	55192	[illegible]	[illegible]	[illegible]	[illegible]
EMC Cp	50970	[illegible]	[illegible]	[illegible]	[illegible]
GenElec s	50401	[illegible]	[illegible]	[illegible]	[illegible]
IBM s	45753	[illegible]	[illegible]	[illegible]	[illegible]
PhilMor s	45114	[illegible]	[illegible]	[illegible]	[illegible]
Motorola	42607	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Boeing s	39989	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	37345	[illegible]	[illegible]	[illegible]	[illegible]
WalMart	35586	[illegible]	[illegible]	[illegible]	[illegible]
K mart	34403	[illegible]	[illegible]	[illegible]	[illegible]
EDS	32151	[illegible]	[illegible]	[illegible]	[illegible]

Nasdaq

	Vol.	High	Low	Last	Chg.
[illegible]	335066	[illegible]	[illegible]	[illegible]	[illegible]
Intel s	153365	[illegible]	[illegible]	[illegible]	[illegible]
Cisco	146384	[illegible]	[illegible]	[illegible]	[illegible]
Oracle s	139699	[illegible]	[illegible]	[illegible]	[illegible]
ApldMat s	131449	[illegible]	[illegible]	[illegible]	[illegible]
SunMic	102462	[illegible]	[illegible]	[illegible]	[illegible]
DellCptr s	101947	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	82125	[illegible]	[illegible]	[illegible]	[illegible]
Microsft	81691	[illegible]	[illegible]	[illegible]	[illegible]
StaLdgs	75551	[illegible]	[illegible]	[illegible]	[illegible]
3Com	57694	[illegible]	[illegible]	[illegible]	[illegible]
VideoLan	57214	[illegible]	[illegible]	[illegible]	[illegible]
SpineTch	54275	[illegible]	[illegible]	[illegible]	[illegible]
Quantum s	53883	[illegible]	[illegible]	[illegible]	[illegible]
BMC Soft	50680	[illegible]	[illegible]	[illegible]	[illegible]

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	27852	[illegible]	[illegible]	[illegible]	[illegible]
ViacB	22460	[illegible]	[illegible]	[illegible]	[illegible]
PegGld	14534	[illegible]	[illegible]	[illegible]	[illegible]
Nabors	12560	[illegible]	[illegible]	[illegible]	[illegible]
XCL Ltd	12424	[illegible]	[illegible]	[illegible]	[illegible]
AltLiving	12348	[illegible]	[illegible]	[illegible]	[illegible]
TWA	11612	[illegible]	[illegible]	[illegible]	[illegible]
EchoBay	11357	[illegible]	[illegible]	[illegible]	[illegible]
Hasbro s	10443	[illegible]	[illegible]	[illegible]	[illegible]
BemaGold	9644	[illegible]	[illegible]	[illegible]	[illegible]

Trading Activity

NYSE

	Close	Prev.
Advanced	1732	1604
Declined	1255	1375
Unchanged	497	475
Total issues	3485	3454
New Highs	202	164
New Lows	86	182

Nasdaq

	Noon	Prev.
Advanced	2080	1731
Declined	1683	2080
Unchanged	1828	1923
Total issues	5591	5734
New Highs	95	136
New Lows	171	276

AMEX

	Close	Prev.
Advanced	292	257
Declined	298	340
Unchanged	167	171
Total issues	757	768
New Highs	25	32
New Lows	29	27

Market Sales

	Today 4:00	Prev. cons.
NYSE	629.67	728.21
Amex	32.10	43.50
Nasdaq	733.61	792.57

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Boston Properties	-	.405	12-26	1-28
Cable Wireless	-	.09	1-30	3-12
Koors Indost	-	.098	12-22	1-16
Scottish Pwr ADS	b	.5625	12-30	3-16
Tadiran Telecomm	-	.16	12-16	12-30
Tel Offshore Tr	-	.411	12-31	1-9
STOCK SPLIT				
Carolina Stha Bk 3 for 2 split.				
Craig Corp 1 share of class A for each share.				
King World 2 for 1 split.				
STOCK				
Intl Assets Hold	-	10%	12-26	1-20
Sthwst Water	-	5%	1-2	1-20
INCREASED				
Angeles Mtg	Q	.32	1-13	2-11
Dynex Capital	Q	.35	12-31	1-30
Ecolab Inc	Q	.19	12-26	1-15
Frontier Corp	Q	.2225	1-15	2-2
McCormick & Co	Q	.16	12-31	1-23
Meridian Pt VIII	Q	.08	12-19	12-31
Oak Hill	Q	.08	12-29	1-15
PMC Comcial	Q	.43	12-31	1-15
River Valley	-	.05	12-31	1-12
S&T Bancorp	Q	.30	12-31	1-23
REDUCED				
Liberty Term 99	M	.03	12-23	12-31
Pf Income Fd	M	.081	12-24	12-31
Pf Inco Opport	M	.068	12-24	12-31
Pf Inco Mgmnt	M	.081	12-24	12-31
SPECIAL				
PMC Capital	-	.02	12-31	1-12
INITIAL				
Computer Assoc n	-	.04	12-19	1-5
Imperial Credit	-	.13	12-31	1-16
YEAREND				
Blue Chip Value	-	.83	12-31	1-16
Fst Prem Inco Tr g	-	1.50	12-31	12-31
Fst Prem USGv In	-	1.25	12-31	12-31
Gulfstream Res g	-	.02	12-19	12-31
Hanck. J. Bk Opp	-	.7355	12-22	12-30
MFS 5%	-	.668	12-31	1-12
Pf Income Fd	-	.46	12-24	12-31
Pf Income Mngm	-	.325	12-24	12-31
Pf Inco Opport	-	.47	12-24	12-31
Put HiYld TotR B	-	.381	12-15	12-26
Put HiYld TotR M	-	.384	12-15	12-26
Put HiYld Tr B	-	.119	12-15	12-26
Put HiYld Tr M	-	.124	12-15	12-26
USF&G Pace Hldr	-	.685	12-22	12-31
REGULAR				
Gt Nthn Iron	-	1.50	12-31	1-30
Maderas Sintet	b	.1041	12-22	1-6

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semiannually.

U.S. Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration. a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99. cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Dec. 16, 1997

Grains

	High	Low	Latest	Chge	Opint
CORN (CBOT) 5,000 bu minimum- cents per bushel					
Dec 97	262	259	259¼	-½	5,118
Mar 98	273½	270¼	271	-¾	174,182
May 98	280¼	278¼	278½	-½	45,960
Jul 98	286¼	283¼	284	-¾	56,965
Sep 98	281½	279¼	279¾	-¾	5,624
Dec 98	283	281	281¼	-½	33,439
Jul 99	295	294	294	-½	320
Est. sales 50,000 Mon's sales 62,228					
Mon's open int 325,262, off 6,324					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Dec 97	218.70	215.80	216.10	-1.60	5,549
Jan 98	213.50	210.50	210.70	-1.40	27,266
Mar 98	210.30	207.60	207.70	-1.10	34,803
May 98	208.50	206.30	206.30	-0.40	22,680
Jul 98	209.50	207.50	207.40	+0.40	15,827
Aug 98	209.70	207.50	207.60	+0.10	4,553
Est. sales 24,000 Mon's sales 34,759					
Mon's open int 118,142, off 1,126					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
Dec 97	24.72	24.53	24.53	unch.	685
Jan 98	24.90	24.68	24.69	+0.01	36,615
Mar 98	25.27	25.04	25.06	+0.02	38,072
May 98	25.40	25.23	25.27	+0.06	14,606
Jul 98	25.55	25.35	25.40	+0.08	12,112
Aug 98	25.50	25.30	25.30	+0.08	3,372
Est. sales 16,000 Mon's sales 21,887					
Mon's open int 108,139, up 3,350					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
Jan 98	693½	685½	686	-2¾	56,415
Mar 98	694	686	686½	-2½	37,765
May 98	697½	691	691½	-1¼	24,045
Jul 98	701	695	695¼	-1	25,261
Aug 98	698	693	693	+1	3,232
Est. sales 40,000 Mon's sales 61,357					
Mon's open int 156,981, off 198					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
Dec 97	332½	330¼	331½	+2½	112
Mar 98	345¼	342¾	343	+¾	55,142
May 98	353	350½	350¼	+1¼	11,764
Jul 98	358	355¼	356¼	+1¼	19,077
Est. sales 14,000 Mon's sales 14,645					
Mon's open int 89,480, up 500					

Livestock

	High	Low	Latest	Chge	Opint
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Dec 97	66.37	65.75	66.17	+0.72	6,305
Feb 98	66.17	65.65	66.12	+0.80	50,834
Apr 98	69.35	68.92	69.12	+0.40	24,629
Jun 98	68.75	68.40	68.47	+0.20	15,350
Aug 98	69.90	69.55	69.60	+0.12	5,540
Oct 98	72.32	72.00	72.17	+0.37	1,416
Est. sales 15,347 Mon's sales 20,593					
Mon's open int 104,230, off 1,472					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Jan 98	77.40	76.85	76.97	+0.45	7,895
Mar 98	78.00	77.45	77.85	+0.55	4,767
Apr 98	78.80	78.25	78.32	+0.27	1,987
May 98	79.77	79.25	79.42	+0.42	1,627
Aug 98	81.30	81.00	81.20	+0.40	796
Sep 98	81.30	81.10	81.20	+0.45	182
Est. sales 2,941 Mon's sales 6,596					
Mon's open int 17,458, up 121					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Feb 98	60.45	59.67	60.40	+0.52	20,605
Apr 98	57.80	56.95	57.75	+0.95	8,223
Jun 98	65.40	64.45	65.32	+0.85	4,882
Jul 98	64.35	63.62	64.05	+0.42	1,445
Aug 98	61.97	61.70	61.97	+0.42	250
Est. sales 5,827 Mon's sales 8,164					
Mon's open int 40,306, off 427					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Feb 98	57.30	55.55	57.10	+1.00	6,046
Mar 98	56.65	54.80	56.22	+1.15	1,268
May 98	57.95	55.90	57.95	+1.25	1,013
Est. sales 2,086 Mon's sales 1,459					
Mon's open int 9,037, up 88					

Food

	High	Low	Latest	Chge	Opint
COCOA (NCSE) 10 metric tons- $ per ton					
Mar 98	1743	1687	1707	-65	43,112
May 98	1768	1718	1734	-54	19,736
Jul 98	1790	1742	1754	-54	4,697
Sep 98	1798	1765	1773	-54	5,721
Dec 98	1823	1794	1794	-54	9,336
Mar 99	1845	1814	1814	-54	9,922
Est. sales 13,345 Mon's sales 7,776					
Mon's open int 95,655, off 2,106					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Dec 97	198.40	168.00	168.00	-30.40	341
Mar 98	186.45	165.80	167.10	-18.35	20,270
May 98	180.00	161.00	161.70	-17.60	5,672
Jul 98	172.50	154.95	154.95	-17.35	2,726
Sep 98	164.00	146.00	148.20	-15.80	1,216
Est. sales 15,490 Mon's sales 4,743					
Mon's open int 31,641, off 19					
SUGARWORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Mar 98	12.17	11.90	11.93	-0.24	108,729
May 98	12.10	11.85	11.88	-0.21	33,682
Jul 98	11.74	11.55	11.55	-0.19	29,536
Oct 98	11.62	11.49	11.51	-0.11	24,965
Est. sales 46,333 Mon's sales 9,396					
Mon's open int 205,993, off 905					

	High	Low	Latest	Chge	Opint
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Jan 98	91.50	87.25	88.65	-2.05	18,271
Mar 98	94.75	90.50	91.90	-2.25	20,416
May 98	97.75	94.70	95.15	-1.85	4,444
Jul 98	99.85	98.30	98.30	-1.85	2,853
Est. sales N.A. Mon's sales 11,665					
Mon's open int 49,377, up 178					

Metals

	High	Low	Latest	Chge	Opint
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Dec 97	286.00	282.80	283.40	-1.10	539
Jan 98			284.10	-1.10	2
Feb 98	287.80	285.10	285.40	-1.00	102,273
Apr 98	289.50	286.90	287.00	-1.10	12,083
Jun 98	291.10	289.00	289.00	-1.10	11,408
Aug 98	292.50	291.00	291.00	-1.20	5,260
Oct 98			293.10	-1.20	2,443
Dec 98	297.40	295.10	295.10	-1.30	13,581
Feb 99			297.10	-1.30	3,792
Est. sales 42,000 Mon's sales 26,720					
Mon's open int 187,988, off 4,168					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Dec 97	79.15	77.80	77.85	-1.15	1,229
Jan 98	79.50	78.25	78.25	-1.05	3,226
Feb 98	79.70	78.85	78.85	-0.95	1,969
Mar 98	80.75	79.15	79.35	-0.95	34,306
Apr 98	80.85	80.00	80.00	-0.95	1,499
May 98	81.70	80.25	80.40	-0.90	4,986
Jun 98			80.80	-0.90	1,615
Jul 98	82.50	81.25	81.25	-0.85	3,706
Aug 98	82.00	81.68	81.68	-0.90	1,271
Est. sales 10,000 Mon's sales 8,407					
Mon's open int 67,463, up 968					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Dec 97	594.00	579.00	591.00	+4.50	590
Jan 98	593.00	580.00	593.00	+5.00	32
Feb 98			595.00	+5.50	
Mar 98	599.00	581.00	596.50	+6.00	67,723
May 98	598.00	580.00	596.50	+6.20	6,509
Jul 98	596.50	582.00	596.00	+6.00	6,409
Sep 98			595.70	+6.00	808
Dec 98	596.00	591.00	595.30	+6.00	5,647
Est. sales 17,000 Mon's sales 10,607					
Mon's open int 92,941, up 697					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Jan 98	349.00	339.50	340.60	-11.40	10,336
Apr 98	344.50	339.20	340.10	-11.70	4,196
Jul 98	346.20	339.60	339.60	-12.40	215
Oct 98	343.00	339.60	339.60	-9.40	1
Est. sales N.A. Mon's sales 2,113					
Mon's open int 14,748, up 812					

			Close		Previous	
LONDON METALS (LME) Dollars per metric ton						
Aluminum (High Grade)						
Spot	1493½	1494½		1514.00	1515.00	
Forward	1520.00	1521.00		1540.00	1541.00	
Copper Cathodes (High Grade)						
Spot	1737½	1738½		1751.00	1752.00	
Forward	1767.00	1768.00		1780.00	1781.00	
Lead						
Spot	533½	534½		516.00	517.00	
Forward	544.00	544½		530.00	531.00	
Nickel						
Spot	5930.00	5940.00		5935.00	5945.00	
Forward	6030.00	6035.00		6035.00	6040.00	
Tin						
Spot	5375.00	5395.00		5355.00	5365.00	
Forward	5280.00	5285.00		5275.00	5280.00	
Zinc (Special High Grade)						
Spot	1102.00	1103.00		1098.00	1099.00	
Forward	1127.00	1128.00		1123.00	1124.00	

Financial

	High	Low	Close	Chge	Opint
US T BILLS (CMER) $1 million- pts of 100 pct.					
Dec 97			94.93	unch.	3,059
Mar 98	95.07	95.04	95.07	unch.	7,058
Jun 98	95.09	95.06	95.06	unch.	1,078
Sep 98			95.07	unch.	23
Est. sales 298 Mon's sales 817					
Mon's open int 11,218, up 177					
5 YR TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Dec 97	108-35	108-28	108-33	unch.	34,520
Est. sales 31,000 Mon's sales 32,931					
Mon's open int 240,094, off 25,789					
10 YR TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Dec 97	112-10	112-02	112-07	+ 01	25,886
Mar 98	112-04	111-26	112-00	+ 01	343,457
Jun 98	111-31	111-27	111-31	+ 01	2,314
Est. sales 66,996 Mon's sales 106,941					
Mon's open int 371,857, off 1,184					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Dec 97	120-13	119-31	120-09	+ 06	76,457
Mar 98	120-10	119-25	120-04	+ 06	450,921
Jun 98	119-27	119-15	119-26	+ 06	27,683
Est. sales 250,000 Mon's sales 305,779					
Mon's open int 764,346, up 6,035					
LONG-GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Dec 97	121-02	120-24	120-28	— 0-05	19,641
Mar 98	121-27	121-08	121-13	— 0-07	166,090
Est. sales: 50,058. Prev. sales: 31,116					
Prev. open int.: 186,229 off 4,556					
GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct					
Mar 98	104.64	104.42	104.53	— 0.09	256,667
Jun 98	104.04	103.89	103.95	— 0.07	614
Est. sales: 89,285. Prev. sales: 101,299					
Prev. open int.: 257,281 off 11,899					
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Dec 97	101.26	101.04	101.16	— 0.62	22,286
Mar 98	100.56	100.56	100.56	— 0.66	142,750
Jun 98	100.56	100.56	100.56	— 0.06	112
Est. sales: 53,976.					
Open int.: 165,148 off 5,381.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Mar 98	115.64	115.33	115.53	+0.01	116,748
Jun 98	N.T.	N.T.	114.95	+0.01	53
Est. sales: 21,994. Prev. sales: 26,734					
Prev. open int.: 116,801 off 3,544					
LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.					
Jan 98	94.29	94.28	94.29	unch.	21,439
Feb 98	94.27	94.26	94.26	unch.	13,197
Mar 98	94.22	94.21	94.22	unch.	2,675
Est. sales 8,792 Mon's sales 14,130					
Mon's open int 57,895, up 9,433					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Feb 98	94.19	94.17	94.19	unch.	4,239
Mar 98	94.18	94.16	94.17	unch.	493,558
Jun 98	94.18	94.14	94.16	unch.	390,253
Sep 98	94.14	94.10	94.13	unch.	265,191
Dec 98	94.07	94.03	94.05	unch.	225,151
Mar 99	94.07	94.03	94.06	unch.	161,880
Jun 99	94.07	94.00	94.03	unch.	135,724
Sep 99	94.06	93.97	94.00	unch.	98,623
Dec 99	93.95	93.92	93.94	unch.	101,592
Mar 00	93.97	93.93	93.96	unch.	73,850
Est. sales 296,887 Mon's sales 326,025					
Mon's open int 2,824,569, up 55,845					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Mar 98	1.6310	1.6202	1.6296	+0.0048	33,893
Jun 98			1.6226	+0.0048	1,265
Sep 98			1.6158	+0.0048	4
Est. sales 9,140 Mon's sales 23,502					
Mon's open int 56,622, up 3,182					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Mar 98	.7066	.7039	.7041	-0.0025	55,787
Jun 98	.7070	.7054	.7055	-0.0029	3,165
Sep 98	.7080	.7065	.7065	-0.0033	783
Est. sales N.A. Mon's sales 14,447					
Mon's open int 85,973, off 3,563					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Mar 98	.5669	.5630	.5643	-0.0023	62,129
Jun 98			.5671	-0.0023	4,392
Sep 98			.5696	-0.0023	140
Est. sales 11,065 Mon's sales 25,195					
Mon's open int 94,706, off 3,219					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Mar 98	.7760	.7726	.7755	-0.0002	97,714
Jun 98	.7866	.7842	.7862	-0.0004	1,663
Sep 98			.7967	-0.0010	1,270
Est. sales N.A. Mon's sales 25,512					
Mon's open int 147,135, off 3,142					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Mar 98	.7066	.6994	.7014	-0.0050	36,096
Jun 98	.7090	.7066	.7084	-0.0051	1,478
Sep 98			.7153	-0.0052	110
Est. sales 8,758 Mon's sales 16,069					
Mon's open int 56,008, off 4,637					
MEXICAN PESO (CMER) 500,000 pesos, $ per peso					
Mar 98	.11960	.11915	.11927	+.00106	14,700
Jun 98	.11560	.11540	.11545	+.00121	3,433
Sep 98	.11225	.11190	.11195	+.00142	4,916
Est. sales 1,751 Mon's sales 5,362					
Mon's open int 33,760, off 600					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Dec 97	92.30	92.28	92.28	— 0.01	131,332
Mar 98	92.40	92.35	92.39	+0.03	131,427
Jun 98	92.51	92.46	92.50	+0.03	103,948
Sep 98	92.68	92.63	92.67	+0.03	82,447
Dec 98	92.89	92.82	92.86	+0.02	77,683
Mar 99	93.10	93.02	93.07	+0.03	46,396
Jun 99	93.27	93.20	93.25	+0.04	59,937
Sep 99	93.39	93.34	93.37	+0.04	42,565
Est. sales: 91,138. Prev. sales: 54,494					
Prev. open int.: 798,183 off 2,810					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Dec 97					202,671
Jan 98	96.29	96.28	96.29	Unch.	17,502
Feb 98	N.T.	N.T.	96.24	Unch.	750
Mar 98	96.19	96.17	96.17	— 0.02	277,224
Jun 98	96.00	95.97	95.98	— 0.01	225,250
Sep 98	95.84	95.81	95.82	— 0.02	234,797
Dec 98	95.63	95.60	95.61	— 0.02	209,106
Mar 99	95.45	95.42	95.43	— 0.02	236,201
Jun 99	95.29	95.27	95.27	— 0.02	113,026
Est. sales: 102,742. Prev. sales: 163,503					
Prev. open int.: 1,979,692 up 27,765					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Dec 97	96.29	96.27	96.29	— 0.02	0
Jan 98	0.00	0.00	96.22	— 0.05	983
Feb 98	96.19	96.17	96.17	— 0.03	5
Mar 98	96.00	95.97	95.98	— 0.20	83,498
Jun 98	95.84	95.81	95.82	— 0.17	38,648
Sep 98	95.45	95.63	95.44	— 0.19	29,832
Est. sales: 28,756.					
Open int.: 256,611 off 33,611.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Mar 98	94.66	94.62	94.63	— 0.05	148,045
Jun 98	95.26	95.22	95.24	— 0.02	129,276
Sep 98	95.45	95.40	95.43	— 0.01	85,727
Dec 98	95.45	95.40	95.43	— 0.01	61,639
Mar 99	95.32	95.27	95.31	Unch.	84,512
Est. sales: 38,547. Prev. sales: 73,998					
Prev. open int.: 627,704 up 17,781					

Industrials

	High	Low	Latest	Chge	Opint
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Mar 98	66.95	66.00	66.12	-0.26	44,617
May 98	68.25	67.40	67.44	-0.34	15,242
Jul 98	69.60	68.80	68.80	-0.36	15,398
Oct 98	71.20	70.80	70.80	-0.18	11,981
Dec 98	72.20	71.75	71.75	-0.22	11,485
Est. sales N.A. Mon's sales 18,143					
Mon's open int 89,380, up 1,947					
HEATING OIL (NMER) 42,000 gal, cents per gal					
Jan 98	52.20	51.10	51.59	+0.08	42,966
Feb 98	52.45	51.65	52.06	-0.03	39,296
Mar 98	52.60	51.90	52.21	-0.03	16,870
Apr 98	52.05	51.60	51.81	-0.03	9,787
May 98	51.55	51.30	51.31	-0.03	8,065
Jun 98	51.50	51.11	51.11	-0.08	10,346
Jul 98	51.75	51.31	51.31	-0.03	4,131
Est. sales N.A. Mon's sales 21,597					
Mon's open int 147,214, off 1,068					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Jan 98	18.25	17.97	18.17	unch.	64,875
Feb 98	18.45	18.20	18.37	+0.02	101,969
Mar 98	18.62	18.40	18.56	+0.02	41,197
Apr 98	18.78	18.60	18.74	+0.02	24,637
May 98	18.91	18.75	18.88	+0.12	28,606
Jun 98	18.99	18.84	18.96	+0.03	34,433
Est. sales N.A. Mon's sales 81,552					
Mon's open int 438,470, off 8,445					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Jan 98	2.415	2.305	2.405	+0.098	41,338
Feb 98	2.370	2.270	2.370	+0.097	35,353
Mar 98	2.305	2.225	2.300	+0.067	24,257
Apr 98	2.220	2.178	2.220	+0.042	11,843
May 98	2.195	2.170	2.195	+0.030	9,359
Jun 98	2.185	2.170	2.180	+0.005	8,770
Est. sales N.A. Mon's sales 28,046					
Mon's open int 216,076, off 1,385					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
Jan 98	55.60	54.55	55.51	+0.67	27,008
Feb 98	55.85	54.90	55.74	+0.42	28,054
Mar 98	56.35	55.55	56.29	+0.37	12,101
Apr 98	58.90	58.35	58.89	+0.27	10,355
May 98	58.85	58.30	58.71	+0.34	10,671
Jun 98	58.21	57.75	58.21	+0.34	7,414
Jul 98	57.56	57.20	57.56	+0.22	6,487
Aug 98			56.71	+0.22	3,347
Est. sales N.A. Mon's sales 20,818					
Mon's open int 110,003, off 667					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Jan 98	161.00	158.25	160.25	— 0.25	31,007
Feb 98	161.50	159.25	161.25	Unch.	13,516
Mar 98	161.00	159.50	161.25	— 0.25	11,939
Apr 98	162.00	160.25	161.50	— 0.50	4,915
May 98	161.25	160.25	161.75	Unch.	3,222
Jun 98	161.00	160.50	161.50	Unch.	11,322
Est. sales: 11,950. Prev. sales: 7,976					
Prev. open int.: 91,355 off 1,958					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Jan 98	17.30	17.10	17.22	— 0.04	23,464
Feb 98	17.49	17.24	17.37	— 0.03	77,685
Mar 98	17.55	17.23	17.48	— 0.06	32,266
Apr 98	17.61	17.46	17.56	— 0.05	14,416
May 98	17.67	17.55	17.62	— 0.06	11,986
Jun 98	17.68	17.59	17.66	— 0.06	18,180
Est. sales: 51,112. Prev. sales: 58,797					
Prev. open int.: 194,964 off 4,505					

Stock Indexes

	High	Low	Latest	Chge	Opint
SP COMP INDEX (CMER) 250 x index					
Dec 97	974.30	965.70	968.20	+4.90	155,932
Mar 98	985.50	973.30	978.90	+4.70	282,045
Jun 98	995.00	986.00	986.00	+1.90	7,492
Est. sales N.A. Mon's sales 235,439					
Mon's open int 449,155, up 9,056					
FTSE 100 (LIFFE) £25 per index point					
Dec 97	5230.0	5135.0	5218.0	+86.0	33,927
Mar 98	5280.0	5205.0	5269.0	+85.5	33,407
Est. sales: 32,323. Prev. sales: 28,170					
Prev. open int.: 67,534 up 468					
CAC 40 (MATIF) FF200 per index point					
Dec 97	2921.0	2873.0	2918.0	+75.0	41,553
Jan 98	2926.0	2880.0	2925.0	+75.0	9,121
Feb 98	2897.0	2893.0	2934.0	+75.0	1,328
Mar 98	2943.0	2897.5	2941.5	+75.5	12,446
Est. sales: 27,892.					
Open int.: 82,933 up 2,153.					

Commodity Indexes

	Close	Previous
Moody's	1,484.10	1,489.10
Reuters	1,785.00	1,783.00
D.J. Futures	142.47	144.99
CRB	233.01	235.47

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

Education every Monday in The Intermarket

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Bass to Sell 1,400 Pubs And Pay Off Shareholders

Reuters

LONDON — The British brewing giant Bass PLC announced plans on Tuesday to return about £850 million ($1.39 billion) to shareholders after agreeing to sell more than 1,400 of its pubs.

Bass said it was selling the pubs for £564 million to a management team backed by BT Capital Partners Europe, the private equity arm of Bankers Trust. On Monday, the company announced the sale of its Gala bingo club chain for £279 million.

Bass plans to return to shareholders the equivalent of about 11 percent of the company through a bonus issue of redeemable preference shares. Shareholders will be able to choose between redeeming the B shares or holding on to them.

Bass shares finished up 4 pence at 899, as brokers and investors responded favorably to the move.

The sale of both Gala and the leased pubs had been widely expected and the financial community had been urging Bass to return funds to shareholders.

"It's good news that they got rid of these pubs," said John Carnegie, a BZW analyst. "It's the kind of business which needs a high level of management control, and there is obviously more potential in some of their managed pubs."

The move still leaves Bass with about £1.5 billion for acquisitions, Finance Director Richard North said. The company has indicated that it is eager to add to its Holiday Inn hotels in Europe and expand its upmarket Crowne Plaza hotels.

The sale of the leased pubs will enable Bass to focus on better-performing parts of its business, Mr. North said.

The company plans to spend about £300 million on developing its estate of 2,500 managed pubs in the current year, creating about 4,000 jobs. Managed pubs are wholly operated by Bass, and the manager and staff are appointed by the company. At a leased pub, Bass owns the building but rents it out, making its profit on the beer it sells and the rent it charges.

"Profit from these pubs over the last three years has been absolutely flat," Mr. North said.

Dassault Wins Emirates Jet Order

Reuters

ABU DHABI — The United Arab Emirates announced Tuesday a $2 billion order for 30 advanced Mirage fighter jets built by Dassault Aviation of France.

The emirate, which has had a defense cooperation pact with France since 1995, will also modernize its force of 33 older Mirage 2000s.

The 30 new Mirage 2000-9s will be delivered over three years.

The deal was announced during a visit to Abu Dhabi by President Jacques Chirac of France.

The deal gives Dassault a much-needed boost as it faces a lull in domestic orders.

The Mirage order also assists the French government, which relies on exports to maintain its defense industry in the face of domestic spending cuts.

Mr. Chirac noted that the Mirage contract represented "15,000 jobs for five years for France."

Dassault was hard hit when the Socialist government in France cut arms expenditure for next year by 9 percent in an attempt to curb the budget deficit and qualify for the single European currency.

As part of the belt-tightening, the Defense Ministry has held up a multiyear contract for 48 Dassault Rafale jets while negotiating a 10 percent cut in the estimated unit price of 300 million francs ($50.5 million). That estimate excludes development costs.

Although Dassault is the airframe maker, industry analysts expect the major share of the contract to go to companies making such related systems as radar, weapons and motors.

The electronics company Thomson-CSF will equip the Mirage 2000-9 and retrofit the 2000 series with its radar system, which allow a fighter to track a number of threats simultaneously.

In Paris, Dassault shares closed down 3 francs, at 1,335, after a rise Monday in anticipation of the deal.

Thomson-CSF stock rose 1 franc to 185.

In addition to the Mirages, the United Arab Emirates is looking to buy 80 more next-generation fighters worth $6 billion.

Lockheed Martin Corp.'s F-16 tops the list of favorites, Gulf defense sources said, but financial aspects of the contract remain unresolved.

Gulf Arab sources also reported that the country was displeased at the perceived lack of pressure from Washington on Israel over the stalled Middle East peace process.

France is offering the Rafale for the $6 billion contract, while British Aerospace PLC is offering the Eurofighter 2000, a four-nation project.

Israel Urges El Al to Buy Boeings

Reuters

JERUSALEM — Defense Minister Yitzhak Mordechai has urged the heads of the state-owned airline El Al to buy jets from Boeing Co. rather than from Airbus Industrie, a ministry spokesman said Tuesday.

The spokesman said the request was made "in light of close relations between Israel and the U.S. generally, and the defense establishment in particular."

But he issued a statement quoting Mr. Mordechai as saying that he would not interfere in the airline's business considerations.

The ministry did not provide further details, but the daily newspaper Ha'aretz said Tuesday that Mr. Mordechai had told El Al a decision to shun the U.S.-made Boeing jets would hurt Israel's standing in the U.S. Congress at a time when Israel is seeking funding for various defense projects.

It also reported that Mr. Mordechai had said that the purchase of Airbus jets would make it more difficult for the Defense Ministry to negotiate better terms with Boeing's McDonnell Douglas unit for the purchase of fighter jets.

El Al's board of directors is due to decide soon between a combination of Boeing 737-700s and 737-800s and the European consortium's Airbus A-319s and A-320s.

CSFB Takes New Look at BZW Asia

Bloomberg News

HONG KONG — Credit Suisse First Boston said Tuesday that it was in talks to buy parts of BZW Asia Ltd., Barclays PLC's Asian subsidiary, one month after it declined an opportunity to bid on the businesses.

CSFB is in the process of buying BZW's European and British equities and mergers businesses for £150 million ($245 million). Now the investment bank, which has 1,400 people in Asia, is also in talks to buy parts of BZW Asia, which employs 700 people outside of Japan, a spokeswoman said in Hong Kong.

The talks come as falling Asian financial markets turn once-valuable assets into fire-sale fodder. In the past month, several Asia-based investment banks have sold stakes to foreign investors.

Western banks are "essentially making use of the local distressed bank situation to extend their market position" in Asia, said Nick Collier, analyst at Morgan Stanley, Dean Witter, Discover & Co.

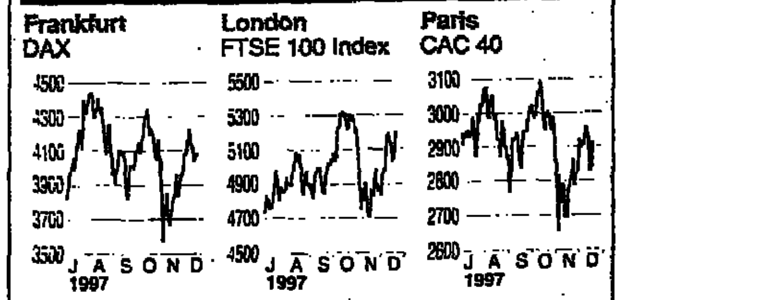
BZW Asia has been on the block since late October. Negotiations for the business first began when Barclays, Britain's third-largest bank, hired Goldman, Sachs & Co. as adviser and said it was putting the whole of BZW up for sale. Last month, CSFB bid for the British and European equities businesses but declined a bid on the Asian parts.

Talks over the Asia businesses have dragged on as tumbling Asian currencies pulled down financial markets throughout the region, pushing investment banks in the region to shed staff — Peregrine Investments Holdings Ltd. alone shed 14 percent of its staff — and postpone expansion plans as new stock and bond sales were scuppered and trading volume slowed to a trickle.

"It would be fair to say that trying to sell a business in Asia in the last couple of months has been made much more difficult by the condition of the Asian markets," said Roger Davis, chief executive of BZW Asia Ltd. A final price for units of BZW Asia has not been established, executives said.

Mr. Davis said BZW was hoping to place most of its staff in the new organization. But throughout Asia on Tuesday, there was speculation that BZW employees would lose their jobs because of the sale.

Investor's Europe



Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam	AEX	904.73	888.78	+1.79
Brussels	BEL-20	2,475.99	2,438.03	+1.56
Frankfurt	DAX	4,083.97	4,060.04	+0.59
Copenhagen	Stock Market	656.75	651.46	+0.81
Helsinki	HEX General	3,198.63	3,166.29	+1.02
Oslo	OBX	671.61	672.04	-0.06
London	FTSE 100	5,203.40	5,121.80	+1.59
Madrid	Stock Exchange	630.64	620.85	+1.58
Milan	MIBTEL	16161	15763	+2.52
Paris	CAC 40	2,912.18	2,838.27	+2.60
Stockholm	SX 16	3,213.20	3,128.35	+2.71
Vienna	ATX	1,260.12	1,267.10	-0.55
Zurich	SPI	3,789.10	3,731.83	+1.53

Source: Telekurs — International Herald Tribune

Daimler Shears Off Microelectronics Unit

Bloomberg News

STUTTGART — Daimler-Benz AG said Tuesday it would sell its Temic Telefunken Microelectronic GmbH unit to Vishay Intertechnology Inc., a U.S. electrical-component company, for $500 million.

The sale marks the conclusion of a strategy initiated by Chief Executive Juergen Schrempp aimed at divesting noncore and unprofitable businesses in order to maximize shareholder returns at the largest industrial company in Germany.

"This acquisition provides Vishay with a strategic extension of our market position," said Felix Zandman, Vishay's chief executive and founder.

Mr. Zandman said the Temic acquisition, which follows the acquisition of Lite-On Power Semiconductor of Taiwan, would position Vishay as the broadest worldwide manufacturer of discrete passive and active electronic components.

The acquisition will almost double Vishay's annual sales. Vishay, which employs 17,000 people in more than 50 plants in the United States, Europe and Asia, last year reported sales of $1.1 billion.

Temic, which employs about 6,700 people around the world, is expected to post sales of about $875 million in 1997. The unit's new orders are expected to rise to $915 million for the full year.

Daimler will keep Temic's auto-electronics components division, which is expected to post sales of about 1.1 billion Deutsche marks ($619.1 million) this year, up 43 percent from last year.

Daimler went through an acquisition splurge during the 1980s, expanding into growth markets such as the microelectronics and aerospace industries.

Low returns on sales forced Daimler to implement a widespread reorganization plan approved by shareholders in 1995, including the selloff of its unprofitable AEG and Fokker units with the company's focus returning to its car- and truck-making businesses.

Daimler-Benz shares closed up 1.30 DM in Frankfurt on Tuesday, at 123.90.

Very briefly:

- **Walibi SA**, which runs six theme parks in Europe, agreed to a takeover bid from **Premier Parks Inc.** of the United States, the world's No. 4 theme park company. The bid values Walibi at about 3 billion Belgian francs ($81.7 million).
- **Dresdner Bank AG**'s chief executive, **Juergen Sarrazin**, who was not due to retire until May 1998, plans to step down Dec. 31.
- **Ernest-Antoine Selliere**, chairman of French holding company **Cie. Generale d'Industrie & de Participations**, was elected head of the **Conseil National du Patronat Francais**, the main business organization of France.
- **Debenhams**, the British department store that is demerging from **Burton Group PLC**, plans to spend £350 million ($571.6 million) over the next five years to increase its number of stores to 100 from 88.
- **Agfa** expects to nearly double its 1997 operating profit, to 480 million Deutsche marks ($270.1 million) against 243 million DM last year, as the photo and imaging unit of the German chemicals and drugs giant Bayer AG said it would exceed the parent company's goal for it to make a 6 percent return on sales.
- **Sulzer Medica Ltd.** has reached agreement with **Spine-Tech** of the United States to acquire all of its shares at $52 each. The Swiss-based orthopedics concern's offer values the U.S. company at $595 million.
- **Esprit Telecom Group PLC**, a European provider of telecommunications services, said it would offer corporate and private customers telephone call rates at least 20 percent and as much as 65 percent lower than **Deutsche Telekom AG**'s when the German market fully opens Jan. 1.
- **Continental AG** is raising the price of its three main tire brands by 2.8 percent to meet rising material costs. The move, which applies to tires sold under the Continental, Uniroyal and Semperit brands, follows a 3 percent price increase for the three brands in April.

Reuters, Bloomberg

WORLD STOCK MARKETS

Tuesday, Dec. 16
Prices in local currencies.
Telekurs

Amsterdam
AEX index: 904.73 — Previous: 888.78

	High	Low	Close	Prev.
ABN-AMRO	41.70	40.10	41.70	39.80
Aegon	177.80	174.70	176	176
Ahold	54	53	53.60	53.40
Akzo Nobel	343.40	341.20	342.30	341.50
Baan Co.	70	66.80	69.30	65.40
Bols Wess cva	30.50	30	30.20	30.30
CSM cva	86	85.20	85.40	86
Dordtsche Pet	110	107.20	110	107
DSM	183.40	181	182.30	180.50
Elsevier	33.20	32.80	33.10	33
Fortis Amev	85.90	84.30	85.30	83.90
Getronics	64.70	64.50	66	64.50
G-Broc cva	49.70	48.30	48.80	49
Hagemeyer	86.70	83.50	84	86.80
Heineken	347.50	342.50	347.50	342
Hoogovens cva	87.60	85.60	86.50	85.80
Hunt Douglas	76	72	74.50	75.50
ING Group	84	82.60	83.90	82.50
KLM	73.20	72.50	73	72.10
KNP BT	43.70	43.20	43.20	43.10
KPN	83.50	81.60	83.50	81.90
Nedlloyd Gp	45.90	44.50	44.50	44.30
Nutricia	61.70	60.90	61	60.70
Oce Grinten	219.80	216.50	219.60	215.60
Philips Elec	116.30	113.70	114	111.50
Polygram	101.90	101.10	101.50	101.50
Randstad Hdg	78.80	75.50	78.80	76
Robeco	185.80	185.50	185.60	184.20
Rodamco	57.20	56.90	57.10	56.60
Rolinco	174.30	173.20	174.30	174
Rorento	120.40	119.90	120.40	120
Royal Dutch	111.50	108.50	111.40	108.10
Unilever cva	124.90	121.80	124.50	120.70
Vendex Intl	107.50	105.80	107.50	107.20
VNU	51.50	50.60	51.20	52.20
Wolters Kl cva	264.40	261.20	262.80	262.50

Bangkok
SET index: 370.28 — Previous: 367.73

	High	Low	Close	Prev.
Adv Info Svc	218	204	206	218
Bangkok Bk F	118	111	115	111
Krung Thai Bk	11	10.50	11	10.50
PTT Explor	376	372	374	372
Siam Cement F	360	350	354	346
Siam Com Bk F	53.50	51	52	52
Telecomasia	11.25	9.10	11.25	9
Thai Airways	49	47.25	48.75	49
Thai Farm Bk F	99.50	96.50	96.50	99
Utd Comm	20.50	19.50	20.25	21.25

Bombay
Sensex 30 index: 3434.87 — Previous: 3367.56

	High	Low	Close	Prev.
Bajaj Auto	597.50	579	592.25	577.25
Hindust Lever	1294	1248.25	1285.50	1256.75
Hindust Petm	449.75	444	446.25	440.50
Ind Dev Bk	83.50	82.25	83.25	82
ITC	563.50	553.25	559.50	559.25
Mahanagar Tel	247.50	235	245	234.50
Reliance Ind	157.50	152.50	155.50	154.75
State Bk India	222	214	220	212.50
Steel Authority	10.25	9.50	9.50	9.75
Tata Eng Loco	289	276	287	275.50

Brussels
BEL-20 index: 2475.99 — Previous: 2438.03

	High	Low	Close	Prev.
Almanij	1900	1820	1890	1815
Barco Ind	6530	6390	6530	6400
BBL	9850	9670	9820	9550
CBR	3400	3360	3385	3355
Colruyt	18500	18200	18350	18325
Delhaize Lion	1925	1910	1920	1985
Electrabel	8330	8310	8330	8290
Electrafina	3385	3310	3385	3310
Fortis AG	7540	7450	7500	7440
Gevaert	1790	1705	1790	1725
GBL	5430	5380	5410	5360
Gen Banque	16250	15675	16225	15600
Kredietbank	16100	15800	16075	15725
Petrofina	14175	13975	14175	13925
Powerfin	5160	5160	5160	5160
Royale Belge	10100	9930	10075	9900
Soc Gen Belg	3575	3490	3550	3420
Solvay	2325	2285	2320	2275
Tractebel	3140	3120	3130	3120
UCB	122900	121100	122200	121600

Copenhagen
Stock Index: 656.75 — Previous: 651.46

	High	Low	Close	Prev.
BG Bank	465	445	455.45	455.38
Carlsberg B	369	360	364	367
Codan Fors	980	969.31	975	980
Danisco	359	354	357	357
Den Danske Bk	887	849	887	855
D/S Svendbg B	440000	426000	440000	430000
D/S 1912 B	305000	298000	305000	300000
FLS Ind B	175	169	174.12	170.58
Kob Lufthavne	790	779	790	780
Novo Nordisk B	910.75	894	897.30	895
Sophus Ber B	1070	1050	1070	1055
Tele Danmk B	438	430	435.44	433
Tryg Baltica	440.44	428.40	440	430
Unidanmark A	510	490	510	491

Frankfurt
DAX: 4083.97 — Previous: 4060.04

	High	Low	Close	Prev.
AMB B	170.30	169	169	172
Adidas	246.50	242	246	253.80
Allianz	439.50	430.80	438.50	425.70
Altana	125.50	123	124.50	123.50
Axa Colonia	165	163	163	164
Bk Berlin	40	39.50	40	40.40
BASF	62.10	61.05	61.75	61.90
Bayer Hypo Bk	82.80	80.70	82.80	81.70
Bay.Vereinsbank	111	110.55	110.90	111.80
Bayer	62.40	61.40	62.15	61.75
Beiersdorf	75	72.80	73.50	74
Bewag	48.60	48	48.60	48.30
BMW	1318	1300	1300	1320
Commerzbank	69.70	69.10	69.70	68.75
Daimler Benz	124.30	122.90	123.90	122.60
Degussa	90	87.20	88	86
Deutsche Bank	124.55	123.60	123.75	123.30
Deut Telekom	33.75	33.40	33.60	33.30
Dresdner Bank	82.10	80.70	82.10	81.40
Fresenius	277	271	275	276
Fresenius Med	119.80	117.50	117.50	119.20
Fried. Krupp	327.50	326	327	332
Gehe	95	92.20	93.30	95.05
Heidelbg Zmt	131.50	131	131.50	132
Henkel pfd	107.50	105.50	105.50	109.20
HEW	466	466	466	466
Hochtief	72.50	71.30	72	71.10
Hoechst	63.50	62.70	62.90	64.05
Karstadt	609	606	609	610
Lahmeyer	75	73.50	75	75
Linde	1025	1022	1025	1025
Lufthansa R	33.75	32.80	33.75	32.60
MAN	506	495	506	516
Mannesmann	862	848.50	857.50	841
Metallgesellschaft	32.25	32.10	32.15	32.50
Metro	78.40	76.60	76.60	78.20
Munch Rueck R	657	632.50	653	632
Preussag	500	490	500	497
RWE	92.25	90.20	92.25	90.60
SAP	513	501	503	512.20
Schering	175.35	172.70	174.70	171.50
SGL Carbon	229	225	226	229.50
Siemens	102.10	100.15	100.30	102.40
Springer (Axel)	N.T.	N.T.	N.T.	1330
Suedzucker	980	900	900	900
Thyssen	391.50	383	384.50	390.50
Veba	115.40	114.20	114.50	113.70
VEW	600	595	600	570
Viag	968	936.50	957.50	933
Volkswagen	969	961	962.50	962

Helsinki
HEX General index: 3198.63 — Previous: 3166.29

	High	Low	Close	Prev.
Enso A	42	42	42	42
Huhtamaki I	224	222	222	224
Kemira	51	50	50.50	50.30
Kesko	84	83	84	82.50
Merita A	29.40	27.90	28.80	28
Metra B	125	118.20	123	125
Metso-Serla B	41	40.50	40.80	41
Neste	130	125	127	123
Nokia A	374	365.10	371	361.50
Orion-Yhtymae	138	136	138	138
Outokumpu	64.60	63	64.60	63
UPM-Kymmene	101	98.30	98.50	100.50
Valmet	72	70	70.50	69

Hong Kong
Hang Seng: 10346.28 — Previous: 10435.15

	High	Low	Close	Prev.
Amoy Props	6.55	6.50	6.50	6.55
Bk East Asia	18.40	17.50	17.50	18.10
Cathay Pacific	6.20	5.80	5.85	6.05
Cheung Kong	50	48.30	48.40	49.60
CK Infrastruct	20	19.50	19.60	19.45
China Light	41.90	40.50	40.50	41
Citic Pacific	31	30	30.20	30.70
Dao Heng Bk	19.70	19	19	19.30
First Pacific	4.20	4	4.13	4.18
Hang Lung Dev	10.50	10.15	10.40	10.60
Hang Seng Bk	73.75	71.25	71.75	72.50
Henderson Inv	6.25	6.05	6.10	6.20
Henderson Ld	36.60	35.40	36	36.30
HK China Gas	14.15	13.85	14.10	13.95
HK Electric	26.70	26	26.55	26.40
HK Telecomm	15.50	15.20	15.30	15.30
Hopewell Hdgs	2	1.95	1.96	1.98
HSBC Hdgs	189	184.50	186.50	187.50
Hutchison Wh	48.70	47.40	47.60	48.50
Hysan Dev	15.20	15.05	15.20	15.05
Johnson El Hdg	23	22.65	23	23.40
Kerry Props	13.70	13.50	13.50	13.80
New World Dev	27	25.10	25.15	26.50
Oriental Press	2.35	2.30	2.33	2.33
Pearl Oriental	0.43	0.40	0.47	0.47
SHK Props	55.25	53.50	53.90	54.75
Shun Tak Hdgs	2.50	2.43	2.43	2.50
Sino Land Co.	4.78	4.60	4.65	4.73
Sth China Post	5.70	5.55	5.60	5.75
Swire Pac A	41.30	40.10	40.70	41
Wharf Hdgs	15.70	15.40	15.55	15.30
Wheelock	8.75	8.40	8.45	8.65

Jakarta
Composite index: 354.39 — Previous: 339.54

	High	Low	Close	Prev.
Astra Intl	1525	1350	1500	1375
Bk Intl Indon	350	300	350	300
Bk Negara	500	425	500	450
Gudang Garm	7275	6850	7200	6775
Indocement	1275	1175	1275	1200
Indofood	1850	1800	1825	1800
Indosat	9925	8925	9900	8775
Sampoerna HM	3850	3425	3525	3575
Semen Gresik	2725	2450	2600	2400
Telekomunikasi	2425	2200	2400	2200

Market Closed

The stock market in Johannesburg was closed Tuesday for a holiday.

Kuala Lumpur
Composite: 544.71 — Previous: 558.47

	High	Low	Close	Prev.
AMMB Hdgs	2.56	2.08	2.11	2.48
Genting	9.05	8.90	8.90	9
Mal Banking	9.90	9.45	9.60	9.40
Mal Intl Ship F	5.70	4.98	4.98	4.96
Petronas Gas	8.45	8.30	8.45	8.30
Proton	4.08	3.78	3.90	3.84
Public Bk	2	1.43	1.43	2.09
Renong	Susp.	Susp.	Susp.	1.80
Resorts World	5.80	5.25	5.25	5.55
Rothmans PM	32.25	29.75	29.75	31
Sime Darby	3.58	3.34	3.36	3.46
Telekom Mal	9.55	8.95	9.05	9.10
Tenaga	6.80	6.45	6.40	6.50
Utd Engineers	Susp.	Susp.	Susp.	3.24
YTL	4.56	4.20	4.20	4.36

London
FT-SE 100: 5203.40 — Previous: 5121.80

	High	Low	Close	Prev.
Abbey Natl	11.48	10.46	11.47	10.50
Allied Domecq	5.42	5.26	5.41	5.35
Anglian Water	8.50	8.30	8.49	8.65
Argos	5.82	5.68	5.68	5.75
Asda Group	1.77	1.72	1.74	1.75
Assoc Br Foods	5.47	5.35	5.44	5.44
BAA	5.05	4.95	4.95	5.02
Barclays	17.95	16.82	17.50	16.86
Bass	9.10	8.92	8.99	8.95
BAT Ind	5.69	5.45	5.64	5.46
Bank Scotland	5.85	5.48	5.72	5.50
Blue Circle	3.41	3.31	3.33	3.36
BOC Group	9.62	9.38	9.61	9.47
Boots	8.93	8.76	8.93	8.80
BPB Ind	3.41	3.35	3.40	3.33
Brit Aerosp	17.65	17.11	17.36	17.47
Brit Airways	5.85	5.60	5.74	5.68
BG	2.93	2.87	2.93	2.86
Brit Land	6.81	6.73	6.77	6.76
Brit Petm	8.20	8.11	8.16	8.15
BSkyB	4.45	4.35	4.38	4.32
Brit Steel	1.43	1.37	1.38	1.37
Brit Telecom	4.82	4.75	4.80	4.77
BTR	1.82	1.76	1.81	1.81
Burmah Castrol	10.65	9.85	10.41	10.20
Burton Gp	1.44	1.41	1.43	1.40
Cable Wireless	5.49	5.31	5.41	5.35
Cadbury Schw	6.40	6.20	6.37	6.30
Carlton Comm	4.50	4.25	4.48	4.48
Coml Union	9.10	8.87	9.06	8.90
Compass Gp	7.65	7.47	7.63	7.45
Courtaulds	3.12	3.03	3.06	3.10
Dixons	6.18	5.89	5.98	6.17
Electrocomponents	4.55	4.50	4.52	4.58
EMI Group	4.67	4.50	4.57	4.67
Energy Group	6.57	6.45	6.45	6.44
Enterprise Oil	5.93	5.78	5.88	5.93
Fam Colonial	1.73	1.71	1.73	1.70
Genl Accident	11	10.62	10.95	10.76
GEC	3.98	3.89	3.95	3.99
GKN	12.90	12.36	12.82	12.40
Glaxo Wellcome	14.57	14.20	14.49	14.20
Granada Gp	8.95	8.75	8.86	8.67
Grand Met	5.93	5.86	5.91	5.85
GRE	3.34	3.26	3.34	3.27
Greenalls Gp	4.27	4.15	4.23	4.10
Guinness	5.93	5.86	5.93	5.85
GUS	7.55	7.48	7.52	7.48
Hays	8.50	7.91	8.05	8.04
HSBC Hldgs	15.15	14.75	15.03	14.93
ICI	9.71	8.61	9.50	9.52
Impl Tobacco	4.11	3.96	3.98	3.97
Kingfisher	8.53	8.18	8.52	8.20
Ladbroke	2.79	2.70	2.75	2.77
Land Sec	10.06	9.95	10.06	10.01
Lasmo	2.85	2.66	2.85	2.65
Legal Genl Grp	5.51	5.21	5.30	5.24
Lloyds TSB Gp	7.81	7.57	7.78	7.50
LucasVarity	2.04	2	2.01	2.02
Marks Spencer	6.21	6.08	6.20	6.09
MEPC	5.38	5.27	5.30	5.35
Mercury Asset	16.76	16.73	16.73	16.78
National Grid	2.91	2.85	2.90	2.86
Natl Power	6.07	5.93	5.99	5.90
NatWest	10.60	9.93	10.31	9.96
Next	6.87	6.75	6.85	6.86
Norwich Union	3.99	3.62	3.90	3.75
Orange	2.65	2.49	2.53	2.50
P&O	6.95	6.55	6.95	6.56
Pearson	8.45	8.22	8.32	8.40
Pilkington	1.24	1.20	1.23	1.20
PowerGen	8.18	7.98	8.13	7.97
Premier Farnell	4.15	4.10	4.11	4.13
Prudential	7.86	7.20	7.43	7.14
Railtrack Gp	9.53	9.32	9.50	9.50
Rank Group	3.43	3.35	3.36	3.42
Reckitt Colm	9.68	9.38	9.52	9.38
Redland	3.45	3.42	3.43	3.42
Reed Intl	6.35	6.18	6.25	6.21
Rentokil Initial	2.61	2.45	2.55	2.55
Reuters Hdgs	6.72	6.45	6.69	6.45
Rexam	2.82	2.67	2.80	2.76
RTZ reg	7.39	7	7.02	7.24
RMC Group	9.24	8.97	9.05	8.95
Rolls Royce	2.43	2.33	2.36	2.36
Royal Bk Scot	7.63	7.50	7.62	7.70
Royal & Sun All	6.42	6.08	6.29	6.12
Safeway	3.47	3.36	3.37	3.45
Sainsbury	5.20	5.06	5.16	5.10
Schroders	19.47	18.60	19.40	18.94
Scot Newcastle	7.50	7.35	7.38	7.41
Scot Power	5.41	5.25	5.32	5.28
Securicor	3.02	2.93	2.93	3.06
Severn Trent	10.20	10.05	10.15	10.12
Shell Transp R	4.60	4.47	4.55	4.46
Siebe	12.15	11.55	12	11.65
Smith Nephew	1.86	1.78	1.78	1.85
SmithKline	6.62	6.25	6.50	6.27
Smiths Ind	8.75	8.36	8.67	8.46
Sthern Elec	5.05	4.97	5.02	4.96
Stagecoach	8.10	7.99	8.06	8.02
Stand Charter	7.02	6.77	6.86	6.95
Tate & Lyle	4.90	4.86	4.89	4.87
Tesco	5.05	4.89	5.04	4.93
Thames Water	9.47	9.23	9.31	9.32
3i Group	5.10	5.02	5.09	5.10
TI Group	5.17	4.95	5.05	5.06
Tomkins	2.93	2.87	2.90	2.93
Unilever	5.23	5.03	5.07	5.01
Utd Assurance	5.27	5.18	5.23	5.21
Utd News	7.55	7.10	7.10	7.26
Utd Utilities	7.87	7.63	7.77	7.64
Vendome Lx uts	4.66	4.65	4.65	4.64
Vodafone	4.44	4.29	4.33	4.22
Whitbread	9	8.60	8.73	8.80
Williams Hdgs	3.35	3.25	3.28	3.30
Wolseley	5.14	4.88	5.10	4.99
WPP Group	2.65	2.57	2.62	2.56
Zeneca	20.34	19.79	20.28	19.83

Madrid
Bolsa index: 630.64 — Previous: 620.85

	High	Low	Close	Prev.
Acerinox	22010	21330	21910	21150
ACESA	2070	2030	2060	2040
Aguas Barcelon	6330	6270	6300	6300
Argentaria	9670	9450	9620	9570
BBV	4690	4625	4680	4580
Banesto	1550	1520	1535	1525
Bankinter	8290	8010	8220	8040
Bco Centro Hisp	3370	3235	3365	3210
Bco Popular	11350	10460	10970	10240
Bco Santander	4690	4630	4670	4600
CEPSA	4780	4700	4730	4750
Continente	2730	2680	2700	2710
Corp Mapfre	7870	7680	7850	7650
Endesa	2920	2890	2915	2875
FECSA	1330	1290	1290	1310
Gas Natural	7860	7640	7860	7580
Iberdrola	2015	1980	1985	1995
Pryca	2280	2220	2230	2230
Repsol	6490	6390	6470	6360
Sevillana Elec	1430	1405	1415	1420
Tabacalera	12180	11920	12020	11950
Telefonica	4625	4550	4610	4495
Union Fenosa	1490	1465	1480	1485
Valenc Cement	2915	2880	2915	2900

Manila
PSE index: 1801.38 — Previous: 1819.47

	High	Low	Close	Prev.
Ayala	14.75	14.25	14.75	14.25
Ayala Land	14	13.75	13.75	14
Bk Philip Isl	85.50	85	85.50	85.50
C&P Homes	2.48	2.24	2.48	2.34
Manila Elec A	77	75.50	76	77
Metro Bank	272.50	257.50	270	265
Petron	3.55	3.50	3.50	3.50
PCIBank	124	123	123	124
Phil Long Dist	840	830	840	855
San Miguel B	50.50	49	50	50.50
SM Prime Hdg	5.80	5.40	5.50	5.70

Mexico
Bolsa index: 5053.97 — Previous: 5088.14

	High	Low	Close	Prev.
Alfa A	56.50	53.60	54.20	56.50
Banacci B	22.40	21.20	22.05	21.10
Cemex CPO	36.50	35.80	36.20	35.60
Cifra C	18.30	17.18	18.00	17.08
Emp Moderna	42.10	40.70	42.00	40.25
Gpo Carso A1	58.30	57.00	57.00	57.10
Gpo F Bcomer	3.15	3.05	3.08	3.08
Gpo Fin Inbursa	33.00	32.40	32.40	32.40
Kimb Clark Mex	37.80	36.00	36.00	37.10
Televisa CPO	155.80	154.80	154.80	156.00
TelMex L	21.30	20.70	21.05	20.90

Milan
MIB Telematico: 16161.00 — Previous: 15763.00

	High	Low	Close	Prev.
Alleanza Assic	16740	16360	16645	16350
Bca Comm Ital	5620	5410	5620	5415
Bca Fideuram	7700	7545	7700	7600
Bca di Roma	1545	1512	1543	1520
Benetton	28300	27700	28300	28000
Credito Italiano	5305	5215	5310	5175
Edison	10300	10055	10300	10145
ENI	10155	9710	10155	9600
Fiat	5140	4980	5130	4990
Generali Assic	42850	42150	42550	41800
IMI	20600	19825	20600	19750
INA	3200	3110	3195	3105
Italgas	6890	6760	6800	6820
Mediaset	8595	8390	8595	8300
Mediobanca	13790	13400	13760	13250
Montedison	1520	1490	1520	1491
Olivetti	1010	998	1001	1006
Parmalat	2480	2430	2450	2415
Pirelli	4510	4330	4500	4285
RAS	16380	15990	16280	15850
Rolo Banca	25000	24700	25000	24800
S Paolo Torino	17610	16925	17600	16850
Telecom Italia	10980	10790	10975	10855
TIM	7390	7240	7375	7180

Montreal
Industrials index: 3245.51 — Previous: 3227.32

	High	Low	Close	Prev.
Bco Mob Com	38.20	37.05	37.05	38
Cdn Tire A	30.10	30	30	30
Cdn Util A	40½	40.40	40.45	40½
CT Finl Svc	53¼	53¼	53¼	54
Gaz Metro	18.30	17.80	17.90	17.70
Gt-West Lifeco	36.90	36.80	36.90	36¼
Imasco	51.45	51	51.20	50.90
Investors Grp	43¼	43¼	43¼	42.80
Loblaw Cos	26¼	25.80	26¼	25.35
Natl Bk Canada	24¼	24¼	24¼	24.60
Power Corp	51	49.90	50.35	49.65
Power Finl	49.55	48¼	49½	48.15
Quebecor B	27.40	27.10	27.15	27.30
Rogers Comm B	7.45	6.90	6.90	7.15
Royal Bk Cda	79	77.80	78.40	77.55

Oslo
OBX index: 671.61 — Previous: 672.04

	High	Low	Close	Prev.
Aker A	132	129	129	130
Bergesen Dy A	179	171	173	176.50
Christiania Bk	29	28.50	29	28.10
Den norske Bk	35	33.60	35	32
Elkem	93	90.50	91	92
Hafslund A	45	44.50	45	45
Kvaerner	375	368	370	373
Norsk Hydro	378	372	372	374.50
Norske Skog A	213	208	209	211
Nycomed Amer	187	182	182	183
Orkla A	636	631	631	630
Petm GeoSvc	445	439	444	453
Saga Petm A	121	108	116	122
Schibsted	125	123	125	125
Transocean Off	320	320	320	320
Storebrand	50.50	50	50	50.50

Paris
CAC-40: 2912.18 — Previous: 2838.27

	High	Low	Close	Prev.
Accor	1124	1098	1119	1100
AGF	329	325.30	326.10	330
Air Liquide	930	888	930	888
Alcatel Alsth	750	737	749	728
Axa-UAP	473	457	470.50	455.50
Bancaire	1017	993	1006	985
BIC	410	402	402	405
BNP	331.90	326	329.40	330
Canal Plus	1019	997	1016	993
Carrefour	2995	2899	2995	2910
Casino	328	325	325	328
CCF	442	430	438.50	425
Cetelem	865	843	853	843
Christian Dior	605	581	586	597
Credit Agricole	1273	1236	1236	1236
Danone	1106	1064	1100	1061
Dexia Fran	687	670	684	670
Elf-Aquitaine	654	634	654	625
Eridania BS	980	935	962	958
Eurodisney	7.30	7	7	7.10
Eurotunnel	5.80	5.60	5.75	5.75
France Telecom	217.50	213.20	217.50	216.80
Gen. Eaux	793	759	788	756
Havas	420	405	417.50	403.80
Imetal	730	716	719	733
Lafarge	376.70	366.60	375	366
Legrand	1194	1140	1180	1165
L'Oreal	2262	2170	2240	2138
LVMH	982	947	958	973
Michelin B	293.50	282.20	290	281.50
Paribas A	513	496.30	510	493.40
Pernod Ricard	334	325.50	328.40	333
Peugeot Cit	692	658	685	650
Pinault-Print	3049	2967	3006	2989
Promodes	2335	2250	2317	2230
Renault	172.60	168.10	171.10	167.30
Rexel	1735	1701	1720	1726
Rh-Poulenc A	274.50	264.50	265	262.50
Sanofi	622	609	617	609
Schneider	317.50	298	317	307.50
SEB	800	791	799	804
SGS Thomson	344.70	329.50	344.70	317
Ste Generale	868	850	860	844
Sodexho	3275	3180	3265	3230
St Gobain	828	813	826	810
Suez (Cie)	15.75	15.75	15.75	15.40
Suez Lyon Eaux	670	636	662	637
Synthelabo	745	723	735	735
Thomson CSF	187.80	182	185	184
Total B	619	600	616	592
Usinor	85	83.20	85	82.50
Valeo	386	379.50	382.90	378

São Paulo
Bovespa index: 9716.21 — Previous: 9550.84

	High	Low	Close	Prev.
Bradesco Pfd	9.70	9.30	9.30	9.50
Brahma Pfd	725.00	710.00	720.00	710.00
Cemig Pfd	50.00	48.50	48.50	49.01
CESP Pfd	65.00	61.00	61.00	63.49
Copel	12.60	12.20	12.50	12.00
Eletrobras	56.01	54.00	55.00	530.00
Itaubanco Pfd	547.00	530.00	540.00	524.00
Light Servicos	416.00	413.00	414.99	415.00
Lightpar	290.00	284.50	285.00	280.01
Petrobras Pfd	256.00	250.00	251.00	249.00
Paulista Luz	142.00	139.00	141.50	140.00
Sid Nacional	31.50	31.00	31.30	31.50
Souza Cruz	8.52	8.50	8.50	8.30
Telebras Pfd	123.50	119.50	121.01	119.50
Telemig	120.50	115.50	119.00	115.49
Telerj	103.00	100.00	100.00	100.010
Telesp Pfd	283.00	267.00	279.99	265.00
Unibanco	43.30	39.01	43.30	43.30
Usiminas Pfd	6.10	5.90	5.95	5.85
CVRD Pfd	21.00	20.50	20.65	20.30

Seoul
Composite index: 404.26 — Previous: 385.80

	High	Low	Close	Prev.
Dacom	65200	60400	63000	60400
Daewoo Heavy	5350	5050	5350	4960
Hyundai Eng.	11900	11600	11900	11100
Kia Motors	5830	5830	5830	5400
Korea El Pwr	16800	15600	16200	15600
Korea Exch Bk	3990	3990	3990	3700
LG Semicon	17100	16600	17100	15900
Pohang Iron St	57400	52200	53000	54000
Samsung Display	36800	32500	35000	34100
Samsung Elec	49500	44700	46000	46100
Shinhan Bank	7770	7200	7770	7200
SK Telecom	453500	453500	453500	420000

Singapore
Straits Times: 1561.75 — Previous: 1480.64

	High	Low	Close	Prev.
Asia Pac Brew	4.38	4.30	4.30	4.38
Cerebos Pac	4.28	4.14	4.16	4.10
City Devlts	7.20	6.95	7.15	7
Cycle Carriage	7.05	6.95	6.95	6.95
Dairy Farm Intl *	0.89	0.87	0.88	0.87
DBS foreign	14.60	13.60	13.80	13.80
DBS Land	2.66	2.56	2.60	2.57
Fraser & Neave	7.60	6.65	6.75	7.85
HK Land *	1.92	1.70	1.75	1.90
Jard Matheson *	4.60	4.22	4.22	4.60
Jard Strategic *	2.31	2.25	2.25	2.28
Keppel A	5.20	4.94	4.94	5.10
Keppel Bank	2.80	2.70	2.72	2.80
Keppel Fels	4.32	4.28	4.32	4.36
Keppel Land	2.69	2.62	2.62	2.62
OCBC foreign	9.75	9.05	9.10	9.70
OS Union Bk F	6.40	5.75	5.90	6.20
Parkway Hdgs	3.86	3.78	3.80	3.86
Sembawang	4.62	4.54	4.56	4.64
Sing Air foreign	10.80	10.40	10.50	10.80
Sing Land	4.14	4	4	4.10
Sing Press F	22.10	21.50	22	21.50
Sing Tech Ind	1.68	1.64	1.67	1.63
Sing Telecomm	2.98	2.86	2.95	2.90
Tat Lee Bank	2.62	2.57	2.60	2.63
Utd Industrial	0.70	0.63	0.63	0.68
Utd OSea Bk F	9.95	9.10	9.20	9.80
Wing Tai Hdgs	2.02	1.91	1.94	1.95

*: in U.S. dollars.

Stockholm
SX 16 index: 3213.20 — Previous: 3128.35

	High	Low	Close	Prev.
AGA B	99.50	97	98.50	96.50
ABB A	93	91.50	92.50	91
AssiDoman	201	197	200	199
Astra A	137	134.50	136.50	134
Atlas Copco A	226	219	225	219
Autoliv	280	275.50	278	275.50
Electrolux B	571	561	567	560
Ericsson B	289	280	288	278.50
Forenings Spar	200	193	197	192
Hennes B	367	346	366	344
Incentive A	685	674	684	674
Investor B	374	358	374	362
MoDo B	210	204.50	207	202
Pharm/Upjohn	281	273	279.50	274.50
Sandvik B	228	223	227	223.50
Scania B	183	169	182	168
SCA B	180	168	171	167.50
S-E Banken A	105.50	98	104	97.50
Skandia Fors	415	400	414	396
Skanska B	318	312	315	316.50
SKF B	165	157	164.50	155
Stora A	97.50	95.50	97	96
Sv Handels A	301	293.50	298.50	292.50
Volvo B	213	210	212	209.50

Sydney
All Ordinaries: 2514.10 — Previous: 2500.90

	High	Low	Close	Prev.
Amcor	6.42	6.32	6.35	6.37
ANZ Bkng	10.04	9.83	9.92	9.92
BHP	13.07	12.58	12.94	12.66
Boral	3.87	3.76	3.80	3.86
Brambles Ind.	29.25	28.80	29.22	28.58
CBA	17.05	16.92	16.99	16.90
CC Amatil	11.30	11.05	11.06	11.20
Coles Myer	7.56	7.46	7.54	7.45
Comalco	6.15	6	6.15	6.10
CSR	5.08	5.02	5.08	5.09
Fosters Brew	2.81	2.76	2.76	2.79
Goodman Fld	2.23	2.17	2.22	2.18
ICI Australia	10.87	10.70	10.85	10.70
Lend Lease	30.60	30.04	30.10	30.30
MIM Hdgs	0.97	0.93	0.94	0.94
Nat Aust Bank	21	20.45	20.96	20.37
Nat Mutual Hdg	2.75	2.55	2.68	2.55
News Corp	8.20	8.10	8.12	8.13
Pacific Dunlop	3.12	3.06	3.07	3.10
Pioneer Intl	3.86	3.78	3.80	3.82
Pub Broadcast	6.80	6.67	6.67	6.65
Rio Tinto	16.85	16.65	16.66	16.66
St George Bank	8.52	8.40	8.43	8.39
WMC	4.76	4.63	4.66	4.75
Westpac Bkng	9.46	9.27	9.42	9.23
Woodside Pet	10.71	10.50	10.50	10.54
Woolworths	4.76	4.69	4.75	4.70

Taipei
Stock Market index: 8193.65 — Previous: 8241.49

	High	Low	Close	Prev.
Cathay Life Ins	146	143	144	144
Chang Hwa Bk	94	92	92	93
Chiao Tung Bk	69	67.50	67.50	67.50
China Developmt	91.50	90	90	90.50
China Steel	25.40	24.50	24.50	24.90
First Bank	93	91	91.50	92
Formosa Plastic	65.50	62.50	65.50	63.50
Hua Nan Bk	97.50	95	95.50	96.50
Intl Comm Bk	55.50	54	54.50	54
Nan Ya Plastics	58	56	56.50	57.50
Shin Kong Life	104.50	100.50	101	103
Taiwan Semi	122.50	118	118	121
Tatung	37.20	36.40	36.70	36.40
Utd Micro Elec	70	67	67	68.50
Utd World Chin	58.50	57.50	58	58

Tokyo
Nikkei 225: 15985.21 — Previous: 15909.39

	High	Low	Close	Prev.
Ajinomoto	1250	1230	1230	1210
All Nippon Air	520	502	506	502
Amway	2280	2200	2240	2220
Asahi Bank	501	485	497	495
Asahi Chem	457	440	446	455
Asahi Glass	750	706	727	727
Bk Tokyo Mitsu	1890	1850	1860	1860
Bk Yokohama	334	320	332	334
Bridgestone	2990	2930	2960	2910
Canon	2980	2930	2950	2940
Chubu Elec	2040	2010	2030	2020
Chugoku Elec	1890	1860	1860	1860
Dai Nipp Print	2540	2490	2520	2500
Daiei	593	574	593	570
Dai-Ichi Kang	965	945	955	949
Daiwa Bank	318	294	310	308
Daiwa House	850	804	805	850
Daiwa Sec	463	436	456	430
DDI	2940a	2790a	2900a	3070a
Denso	2600	2420	2520	2430
East Japan Ry	5990a	5940a	5980a	5950a
Eisai	1820	1780	1810	1780
Fanuc	4980	4870	4930	4910
Fuji Bank	615	590	597	587
Fuji Photo	5180	5080	5180	4990
Fujitsu	1420	1390	1390	1420
Hachijuni Bk	1040	1010	1010	1040
Hitachi	971	944	951	969
Honda Motor	4700	4590	4630	4650
IBJ	1120	1080	1100	1090
IHI	238	230	235	230
Itochu	245	237	245	235
Ito-Yokado	6200	6030	6030	6200
JAL	360	350	360	360
Japan Tobacco	9900a	9500a	9720a	9850a
Jusco	1860	1770	1830	1900
Kajima	350	323	328	387
Kansai Elec	2220	2190	2190	2180
Kao	1860	1830	1840	1780
Kawasaki Hvy	239	227	234	226
Kawa Steel	171	163	165	157
Kinki Nipp Ry	684	672	680	671
Kirin Brewery	1010	993	1000	1000
Kobe Steel	103	99	103	102
Komatsu	665	643	650	656
Kubota	408	392	398	388
Kyocera	5730	5650	5690	5660
Kyushu Elec	1900	1860	1870	1870
LTCB	244	236	241	241
Marubeni	242	226	235	240
Marui	2040	1980	2020	2010
Matsu Comm	3420	3250	3270	3380
Matsu Elec Ind	1810	1770	1800	1780
Matsu Elec Wk	1040	1010	1030	1030
Mitsubishi	1050	1020	1020	1030
Mitsubishi Ch	191	180	180	184
Mitsubishi El	340	330	334	325
Mitsubishi Est	1550	1500	1540	1550
Mitsubishi Hvy	506	498	500	511
Mitsubishi Mat	430	416	417	416
Mitsubishi Tr	1600	1550	1580	1540
Mitsui	875	855	855	870
Mitsui Fudosn	1340	1300	1320	1330
Mitsui Trust	245	235	240	238
Murata Mfg	3500	3380	3500	3350
NEC	1350	1330	1340	1340
Nikon	1370	1300	1330	1360
Nikko Sec	400	388	395	390
Nintendo	12700	12400	12700	12500
Nipp Express	625	606	617	585
Nippon Oil	378	362	369	378
Nippon Steel	196	188	188	197
Nissan Motor	578	511	523	510
NKK	115	112	115	113
Nomura Sec	1720	1670	1700	1660
NTT	1130b	1100b	1100b	1120b
NTT Data	6780b	6680b	6700b	6700b
Oji Paper	528	520	528	512
Osaka Gas	280	270	273	276
Ricoh	1620	1580	1600	1600
Rohm	12200	12100	12200	12000
Sakura Bk	481	468	470	475
Sankyo	2940	2820	2900	2870
Sanwa Bank	1480	1420	1480	1420
Sanyo Elec	370	355	364	358
Secom	8190	8010	8050	8000
Seibu Rwy	5880	5630	5740	5510
Sekisui Chem	755	720	750	746
Sekisui House	850	821	821	843
Seven-Eleven	9100	8990	9040	9000
Sharp	825	805	813	812
Shikoku El Pwr	1890	1870	1880	1890
Shimizu	375	325	325	367
Shin-etsu Ch	2750	2600	2670	2780
Shiseido	1840	1800	1840	1800
Shizuoka Bk	1270	1240	1260	1260
Softbank	2450	2320	2320	2400
Sony	11100	10700	10900	11000
Sumitomo	839	800	835	797
Sumitomo Bk	1550	1510	1540	1500
Sumit Chem	316	308	314	311
Sumitomo Elec	1810	1770	1780	1810
Sumit Metal	212	203	209	203
Sumit Trust	750	716	750	696
Taisho Pharm	3240	3180	3210	3200
Takeda Chem	3700	3630	3650	3660
TDK	9480	9210	9480	9250
Tohoku El Pwr	1930	1900	1920	1890
Tokai Bank	651	630	648	654
Tokio Marine	1240	1180	1240	1180
Tokyo El Pwr	2390	2320	2380	2330
Tokyo Electron	4870	4750	4750	4720
Tokyo Gas	302	294	300	299
Tokyu Corp.	519	504	515	512
Tonen	887	859	870	868
Toppan Print	1750	1700	1730	1710
Toray Ind	558	541	550	538
Toshiba	549	531	539	529
Tostem	1240	1150	1200	1230
Toyo Trust	805	775	803	775
Toyota Motor	3790	3610	3640	3730
Yamanouchi	3040	3000	3020	3000

a: x 100; b: x 1,000

Toronto
TSE Industrials: 4575.28 — Previous: 4584.70

	High	Low	Close	Prev.
Abitibi Cons.	18.45	18.15	18.20	18.10
Alberta Energy	26.85	26	26.10	26.80
Alcan Alum	38.55	38	38.20	37.90
Anderson Expl	13.30	12.85	13¼	13.40
Bk Montreal	65.65	64.95	64.95	65.60
Bk Nova Scotia	67½	66.70	66.70	67.40
Barrick Gold	24.90	24¼	24.45	24.40
BCE	45.80	45.10	45¼	45.65
BC Telecomm	43½	42.15	43½	42.15
Biochem Pharm	39.20	37.50	38.05	37.55
Bombardier B	29.70	29½	29.70	29.65
Cameco	41.90	41¼	41.45	41½
CIBC	46.80	46.20	46.20	46.30
Cdn Natl Rail	68.55	65½	65½	68¼
Cdn Nat Res	29.80	29.05	29.35	29.95
Cdn Occid Pet	32.65	31.40	31.40	32.65
Cdn Pacific	38	36.90	37.05	37.45
Cominco	20.10	19.70	19.70	19.90
Dofasco	22	21.80	21.90	22
Domtar	10.10	9.90	10.10	9.90
Donohue A	24	23½	23.85	23.85
Du Pont Cda A	35¼	34¾	35¼	35¼
EdperBrascan	26	25.35	25.40	26
EuroNev Mng	16¼	16	16¼	16.10
Fairfax Finl	317	310	312	317
Falconbridge	17¼	17.30	17.30	17.70
Fletcher Chall A	19¼	19¼	19¼	20
Franco Nevada	28.90	28.30	28½	28.40
Gulf Cda Res	10.15	9.95	10.05	10.10
Imperial Oil	88.80	87.85	88.80	87.80
Inco	25	24.45	24.90	24½
IPL Energy	63	62.30	62.45	62.35
Laidlaw B	18.60	18¼	18½	18.30
Loewen Group	34¼	33.85	33.90	34.40
Macmill Bld	14.85	14.35	14½	14.30
Magna Intl A	94	93.10	93.40	93.15
Methanex	11.90	11.60	11.60	11¼
Moore	22	21.70	21.80	21.90
Newbridge Net	52¼	49	51.40	48
Noranda Inc	24.15	23.55	23.65	24
Norcen Energy	16¼	16	16.20	16.10
Nthern Telecom	130½	124.80	126¼	124¼
Nova	13.70	13.60	13.60	13.70
Onex	28	27¼	27¼	27¼
Pancan Petm	23½	23	23¼	23¼
Petro Cda	25¼	24.70	24.80	25.10
Placer Dome	16.70	15.80	16.15	15.70
Poco Petm	11	10.60	10.90	10.95
Potash Sask	115.70	115.15	115.20	115½
Renaissance	29.20	28.80	28.95	29
Rio Algom	25	24½	24½	24.80
Rogers Cantel B	13.70	13¼	13.65	13.40
Seagram Co	45	44.65	44.65	44¾
Shell Cda A	27.20	26½	26.90	27.15
Suncor	48.35	48	48.30	47½
Talisman Eny	43¼	42.65	42.80	44.30
Teck B	18.35	17.85	18.15	17.95
Teleglobe	45.95	45.55	45.95	45¼
Telus	33.70	33.05	33.55	33.10
Thomson	39	37.85	37.85	39
TorDom Bank	54.85	54½	54.55	54.35
Transalta	21.60	21.35	21.45	21.30
TransCda Pipe	30.95	30¼	30.90	30¼
Trimark Finl	66	65.10	65.40	65¼
Trizec Hahn	33.45	33.20	33.20	33½
TVX Gold	3.95	3¾	3.85	3.80
Westcoast Eny	33.10	32.95	33	32.90
Weston	121¼	120	120½	121.45

Vienna
ATX index: 1260.12 — Previous: 1267.10

	High	Low	Close	Prev.
Boehler-Uddeh	774	747.10	750	769
Creditanst Pfd	719	640	690	636.90
EA-Generali	3250	3200	3225	3240
EVN	1646.50	1630	1644.50	1645
Flughafen Wien	508.50	503	507.50	508
OMV	1725	1670	1675	1690
Oest Elektriz	1018	1010	1017	1016
VA Stahl	479	461	475	472
VA Tech	1930	1905.50	1914	1918.90
Wienerberg Bau	2424	2400	2410	2420

Wellington
NZSE-40 index: 2332.36 — Previous: 2330.97

	High	Low	Close	Prev.
Air N Zeald B	3.52	3.42	3.50	3.40
Brierly Invt	1.19	1.16	1.16	1.18
Carter Holt ord	2.51	2.44	2.45	2.50
Fletch Ch Bldg	4.26	4.23	4.24	4.25
Fletch Ch Eny	6.22	6.14	6.14	6.08
Fletch Ch Forst	1.48	1.34	1.36	1.42
Fletch Ch Paper	2.15	2.10	2.10	2.10
Lion Nathan	4.06	3.90	4.01	3.90
Telecom NZ	8.81	8.78	8.79	8.77
Wilson Horton	10.70	10.20	10.20	10.10

Zurich
SPI index: 3789.10 — Previous: 3731.83

	High	Low	Close	Prev.
ABB B	1825	1791	1793	1805
Adecco B	373.50	353.50	371	349
Alusuisse R	1407	1388	1406	1390
Ares-Serono B	2395	2360	2380	2360
Atel R	805	800	800	800
Baer Hdg B	2625	2590	2624	2605
Baloise Hdg R	2880	2795	2860	2752
BK Vision	1482	1465	1480	1475
Ciba Spec Chem	174	168	173.50	166
Clariant R	1186	1165	1186	1164
Crd Suisse Gp R	239	235.25	236	234.75
Elektrowatt B	551	549	550	550
Ems-Chemie	7145	7075	7145	7100
ESEC Hdg	3600	3450	3600	3500
Holderbank B	1180	1154	1170	1152
Liechtenst LB B	565	560	565	560
Nestle R	2130	2072	2117	2065
Novartis R	2309	2262	2304	2258
Oerlikn Buehr R	198	195	197	197.50
Pargesa Hld B	1795	1785	1790	1795
PharmVisn B	868	850	865	857
Richemont A	1630	1570	1615	1574
Pirelli PC	301	297	301	300
Roche Hdg PC	13490	13220	13380	13135
SBC R	453.50	448	452	445
Schindler PC	1615	1590	1600	1590
SGS B	2799	2665	2795	2701
SMH B	827	815	827	850
Sulzer R	930	870	879	918
Swiss Reins R	2607	2573	2607	2541
SAir Group R	1881	1838	1876	1833
UBS B	2120	2076	2109	2068
Winterthur R	1750	1695	1750	1720
Zurich Assur R	642	636	637	635

The Trib Index

Prices as of 3.00 P.M. New York time.

Jan. 1, 1992 = 100	Level	Change	% change	year to date % change
World Index	172.18	+1.98	+1.16	+15.44
Regional Indexes				
Asia/Pacific	95.63	−0.45	−0.47	−22.52
Europe	191.99	+3.22	+1.71	+19.10
N. America	218.97	+2.28	+1.05	+35.19
S. America	147.29	+3.34	+2.32	+28.72
Industrial Indexes				
Capital goods	210.37	+3.89	+1.88	+23.08
Consumer goods	208.05	+1.71	+0.83	+28.88
Energy	197.41	+3.46	+1.78	+15.64
Finance	124.01	+1.59	+1.30	+6.48
Miscellaneous	146.79	−0.60	−0.41	−9.25
Raw Materials	166.10	+1.79	+1.09	−5.29
Service	171.08	+1.40	+0.83	+24.58
Utilities	166.31	+2.72	+1.66	+15.93

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NYSE

Tuesday's 4 P.M. Close

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The Associated Press.

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Continued on Page 18

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Seoul Seeks a Buyer For Its Ailing Banks

But Foreign Firms Show Little Interest

By Don Kirk
Special to the Herald Tribune

SEOUL — South Korea's plan to sell one of its two most troubled banks to foreigners may be easier said than done.

The plan for the sale, broached by Finance Minister Lim Chang Yuel in response to criticism of the government's huge purchase of shares in the debt-crippled banks, encountered a resounding lack of interest Tuesday from foreign bankers.

Citibank, the foreign bank with by far the most extensive network in South Korea, squelched widespread rumors that it was interested in buying a stake in either Seoul Bank or Korea First Bank as part of a government drive to keep the banks from shutting down.

"We are not now considering anything," a source at Citibank said, reviewing a range of reasons why Seoul might find selling the banks almost impossible.

The worst problem, said the source, who asked not to be identified, was that "nobody really knows what is the quality of their portfolios." Citibank, he said, would want "a complete review of every single loan" that either of the banks had made — an almost impossible task in a system still shrouded in secrecy.

Nonetheless, the finance minister's suggestion that a foreign bank might take over at least one crippled bank was partly responsible for the second rise on the stock market in as many days. The benchmark index rose 18.46 points Tuesday, or 4.8 percent, to 404.26.

The rise in the stocks paralleled another day of recovery for the won — the first day after Seoul decided the currency could float freely rather than remain within a 10 percent trading band. The dollar fell to 1,425.0 won from 1,563.09 won Monday.

Long lines formed at banks as customers, some of them carrying large amounts of $100 bills, waited to change dollars to won. Government officials, anxious to attract as much hard currency as possible, refrained from asking the identity of those changing money even when they were carrying bundles of bills totaling as much as $100,000.

Many analysts said they believed the volatile South Korean currency, which plummeted Friday as the dollar topped 1,800 won, was likely to stabilize near its current level. Increasing numbers of South Koreans were expected to begin changing large amounts of foreign currency if the won managed to hold steady for the next few days.

But the mood of optimism did not seem likely to persuade foreign bankers to buy banks that many argue should close.

Mike Brown, general manager of the Seoul branch of the First National Bank of Chicago, reflected the sentiment of many foreign bankers in remarks at a breakfast attended by the titans of South Korean business and industry.

South Korean banks "should have known how dependent they were on volatile money-market funding to support longer-term loans and growing trade finance," said Mr. Brown, who is president of the American Chamber of Commerce here.

"Either profitability needs to improve dramatically or debt levels need to come down," Mr. Brown told a meeting last week of the Federation of Korean Industries, made up of the chairmen and presidents of the 30 largest *chaebol*, or conglomerates.

"Profitability and capital levels are too low to support current levels of bad debts," he said, "let alone the higher levels of bad debts which are to be expected in a restructuring and slowing economy."

Other foreign bankers were reluctant to go public with their views of the local banking system, but Mr. Brown appeared to speak for a wide range of his colleagues in his sweeping critique.

Mr. Brown, surprised that the text of his remarks was later made available, declined to elaborate or answer questions, saying that his speech was "not for worldwide consumption."

An overriding issue among foreign banks when they consider the possibilities of purchasing a stake in South Korean banks is that of transparency — obtaining full records of all transactions.

"Questionable acts of collusion between the government, banks and corporations fuel the foreign perception that business practices are not transparent," Mr. Brown said to the federation.

The "path to market confidence," he said, "is Korea's commitment to change and economic transparency."

Yet another reason for the lack of foreign interest in local banks is their reputation for high labor costs and technological inefficiency.

Citibank, with 11 branches in South Korea, finds it possible to operate a typical branch with nine or 10 staffers — far fewer than equivalent South Korean branch banks, and it is very difficult to lay off workers in South Korea.

Rather than buy into a troubled South Korean bank, Citibank envisions expansion on its own — either by opening branches or buy taking over individual entities of troubled banks such as a credit card portfolio. Citibank for years has been the only American institution that does general retail banking in Seoul — and has reportedly been interested in expanding its operations, as it has done in Hong Kong and Southeast Asia.

"Everything about here is going to open up big-time," said the Citibank source, but much depends on whether the National Assembly passes a banking reform bill that would give the Bank of Korea a badly needed supervisory role.

"These banks are not heavily supervised," the source said. "They've been talking about this legislation for a year. Now they have to do it."

Stephen Shaver/Agence France-Presse

A woman staring out from a branch of Seoul Bank on Tuesday. The government, which took over the bank, is seeking a buyer.

China Fears Turmoil Will Hurt Exports

Reuters

BEIJING — Weaker currencies in Southeast Asia and rising trade friction are likely to dampen China's exports in 1998, Trade Minister Wu Yi was quoted as saying Tuesday.

"Compared with 1997, China's imports, exports and the use of foreign capital will face greater challenges next year," she said in an interview with the official People's Daily.

Miss Wu's comments came the same day as the release of a report by the State Planning Commission that said Beijing would continue to try to expand exports next year but would seek to reduce its "excessively large surplus" by encouraging imports.

China will further adjust its import policies and encourage imports of high-technology products next year, the commission said, according to the report published in the Shenzhen-based Securities Times. The newspaper gave no details, but officials have said that Beijing was preparing to restore waivers of duties on imports of high-technology equipment.

China posted a trade surplus of $40.23 billion in the first 11 months of this year compared with a surplus of $13.93 billion in the like period last year. The surplus for November alone was $4.65 billion, official media have reported.

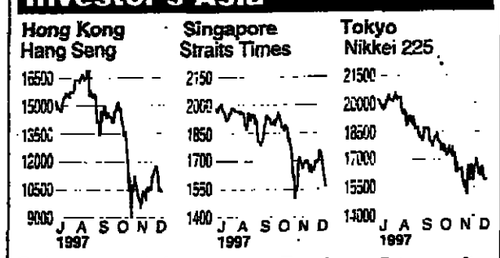
Some foreign and local economists have said that export growth will slow next year because of competition from Southeast Asia. While currencies in such countries as Thailand, Indonesia and Malaysia have tumbled this year, the Chinese yuan is facing upward pressure from the surging trade surplus and a steady inflow of foreign funds.

Beijing has ruled out a devaluation of the yuan to support its exports or attract foreign investment. Economists have said any devaluation of the yuan would further aggravate trade friction with the United States.

Despite strong export growth and steady inflows of foreign investment this year, alarm bells are ringing in Beijing because of the currency crisis.

"The composition and the markets of goods exported by China and Southeast Asian nations are identical, so the financial disturbance will reduce the competitiveness of our exports," Miss Wu was quoted as saying.

Investor's Asia



Exchange	Index	Tuesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	10,346.38	10,435.15	-0.85
Singapore	Straits Times	1,561.75	1,600.64	-2.43
Sydney	All Ordinaries	2,514.10	2,500.90	+0.53
Tokyo	Nikkei 225	15,985.21	15,909.39	+0.48
Kuala Lumpur	Composite	544.31	558.47	-2.54
Bangkok	SET	370.28	365.73	+1.24
Seoul	Composite Index	404.26	385.80	+4.78
Taipei	Stock Market Index	8,193.65	8,241.49	-0.58
Manila	PSE	1,801.38	1,819.67	-1.01
Jakarta	Composite Index	356.39	339.54	+4.96
Wellington	NZSE-40	2,332.36	2,330.97	+0.06
Bombay	Sensitive Index	3,424.87	3,367.56	+1.70

Source: Telekurs International Herald Tribune

Very briefly:

• **Deutsche Morgan Grenfell** cut three jobs in its Jakarta office, including that of Tan Yong Seng, the company's country manager for Indonesia. The company said the move was the last step in its Asian restructuring.

• **Malaysia's Ministry of Posts and Telecommunications** said the economic downturn had not affected interest in the country's so-called **Multimedia Supercorridor** construction project, especially among foreign companies.

• **The Asian Development Bank** has approved the following loans: $191.4 million to the **Philippines** for a power-distribution project, $150 million to **India** to help fund a project to transport liquefied petroleum gas, and $100 million to **Kazakhstan** to help reform its pension system.

• **Volvo AB**, the Swedish carmaker, has cut its estimate of car sales to South Korea in the current year to between 500 and 550 from an earlier estimate of 1,300.

• **DirecTV Japan Management Inc.**, a satellite broadcasting venture led by **Hughes Electronics Corp.** of the United States and **Matsushita Electric Industrial Co.** of Japan, has increased its capital to 31.87 billion yen ($167.1 million) from 20.80 billion yen. The company added that **IBM Japan Ltd.** had become a partner in the venture with a 0.22 percent stake.

• **Sanwa Bank Ltd.** of Japan and **Merrill Lynch & Co.** of the United States have agreed to join forces in the mutual fund business in Japan as part of their tentative deal to take equity stakes in **Yamaichi Investment Trust Management Co.**, a unit of the failed **Yamaichi Securities Co.**, Japanese TV reported.

• **Toyota Motor Corp.** said it would increase the number of models using its D-4 direct-injection system, a gasoline engine format that substantially improves fuel efficiency and cuts emissions of so-called greenhouse gases. Over the long term, the company wants to equip half its cars with the system.

• **Cathay Pacific Airways Ltd.** shares tumbled to a nine-year low after it postponed a decision to exercise options on 25 new aircraft; the stock slipped to 5.85 Hong Kong dollars (75 U.S. cents), down 20 cents. *AFP, AP, Bloomberg, Bridge News, Reuters*

Yen Faces Weakness, Even With Stimulus

Compiled by Our Staff From Dispatches

TOKYO — The latest attempt by the governing Liberal Democratic Party to come up with steps to calm economic jitters is not expected to produce the fireworks necessary to trigger heavy yen-buying, dealers said Tuesday.

The package, the full release of which was delayed a day until Wednesday, is unlikely to turn around the yen's bearish trend, and the dollar could climb to 133 yen to 135 yen as the focus shifts to the weak economy and financial turmoil in Asia, they said.

The dollar finished Tuesday in Tokyo at 131.10 yen. "Looking at the way the yen has been reacting, the market has factored in the package," a dealer said.

The party said Tuesday after markets closed that it would propose 950 billion yen ($7.26 billion) worth of tax cuts on corporate income, real estate and securities transactions.

A day earlier, it had proposed setting aside 10 trillion yen to strengthen the government safety net for troubled banks. Many Japanese financial institutions are saddled with bad debts from the collapse of the "bubble" economy of the late 1980s, when easy credit encouraged speculation in stocks and real estate.

"From the contents of the package we've seen so far, it may not be an instant remedy to help" the ailing financial sector and economy, said Noriyuki Mizukami of National Westminster Bank PLC.

Japanese stocks rose on news of the delay of the package on speculation the LDP may include some new steps. The benchmark 225-issue Nikkei Stock Average gained 75.82 points, finishing at 15,985.21.

(Reuters, AP, Bloomberg)

Yamaichi's Property Unit to Close

The Associated Press

TOKYO — Yamaichi Real Estate Inc. filed for bankruptcy Tuesday, saying it could not survive after its affiliate, Yamaichi Securities Co., failed last month, the company said.

The realty company, the second member of the Yamaichi group after the brokerage to fail, had debts of 335 billion yen ($2.56 billion), said a spokesman, who spoke on condition of anonymity.

The company's primary business was managing properties for Yamaichi Securities. The brokerage, one of Japan's "Big Four," failed Nov. 24 after trying for years to juggle bad debts left from the collapse of the Japanese real estate and stock markets earlier in the decade.

Yamaichi Securities executives have admitted trying to cover up debts through illegal trading and accounting practices.

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Asahi Plans China Venture With Tsingtao

Reuters

TOKYO — Asahi Breweries Ltd., said Tuesday that it would set up a joint venture to produce beer in Shenzhen, China, with the Chinese beermaker Tsingtao Brewery Co. and three other companies.

The Japanese trading companies Itochu Corp. and Sumikin Bussan Kaisha Ltd. and the Hong Kong-based investment firm Pine Seal Investment Ltd. will also participate in the venture, which will be capitalized at $30 million, Asahi said.

The total cost of investment by the five companies is $52.73 million, it said.

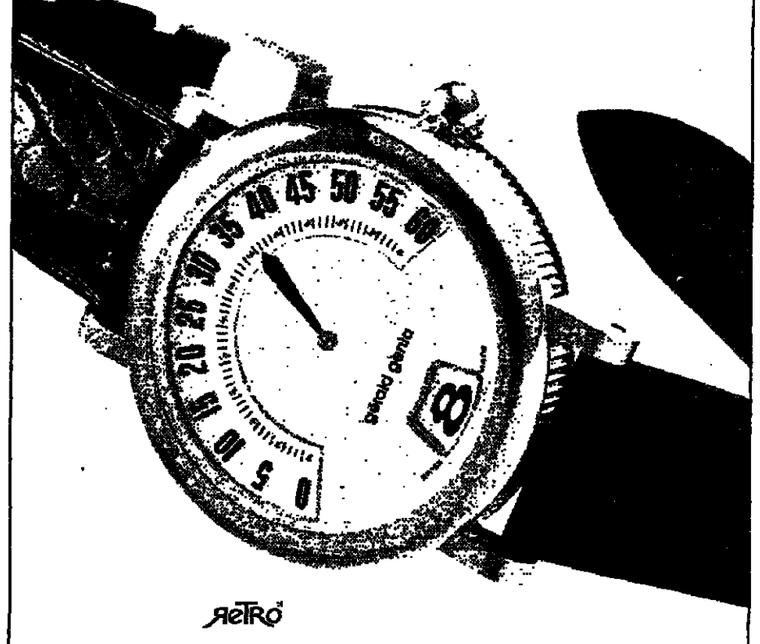
It will be the first time that Tsingtao, China's second-largest beermaker, has set up a joint venture with a foreign company, Asahi said. The new company will be jointly managed by Japanese and Chinese officials, it added.

Through the venture, Asahi, the No. 2 brewing company in Japan, will be able to tap into the promising growth of the Chinese beer market, while Tsingtao will learn Asahi's advanced draft-beer production technology. The beermakers also plan to exports production from the Chinese venture to Southeast Asian markets.

Asahi will take a 19 percent stake in the venture, while Itochu and Sumikin Bussan will take a combined 15 percent, a spokesman for Asahi said. Tsingtao will take a 35 percent stake, and the Hong Kong company will take the rest.

The new company will build a plant in Shenzhen in the southern province of Guangdong to produce Asahi's mainstay, the Super Dry brand, and Tsingtao beer. Production will start in early 1999.

THE LIVING LEGEND



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The Associated Press.

NYSE

Tuesday's 4 P.M. Close

(Continued)

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WORLD ROUNDUP

AP

Finn Christian Jagge of Norway rejoicing as the snow falls.

Jagge Wins Slalom

SKIING Finn Christian Jagge, a former Olympic champion, captured a men's World Cup night slalom in Sestriere, Italy, with two faultless runs through a heavy snowfall and under floodlights.

Jagge, a 31-year-old Norwegian, captured his fourth World Cup career victory Monday by beating Thomas Sykora of Austria by 0.34 seconds and a second Norwegian, Hans-Petter Buraas, by 0.42.

Jagge, third behind the Slovenian Jure Kosir and Sykora in the first run, clocked a combined winning time of 1 minute 51.43 seconds. Kosir missed a gate and did not finish the second run.

Alberto Tomba rallied from 20th, after the first run, to fourth overall. *(Reuters)*

West Indies in Final

CRICKET West Indies beat India by 41 runs Tuesday to reach the final of the Champions' Trophy in Sharjah.

The West Indies batted first and made 229 for six wickets in 50 overs as Sherwin Williams scored 105 not out. Victory alone would not have been enough to put India into Friday's final against England. It had to reach its target in 45 overs to beat the West Indies run rate but was bowled out for 188 in 42.2 overs. Sauruv Ganguly hit 70 as India reached 126 for one wicket before its batting collapsed. *(Reuters)*

UEFA Picks Sites

SOCCER Amsterdam, Stockholm and Paris are set to host next year's finals of the European club cups.

UEFA said Tuesday that the Champions' League final is scheduled for the Amsterdam Arena on Wednesday May 20, 1998, subject to Dutch organizers renouncing commercial rights at the stadium.

The Cup Winners Cup final will be May 13 at Rasunda Stadium in Stockholm. It will be the first time Stockholm has hosted a European final. The UEFA Cup final is May 6 in Parc des Princes in Paris. In previous years, the UEFA Cup final was played over two legs at the grounds of the finalists. *(AFP)*

Alan Hudson in Hospital

SOCCER Alan Hudson, a former England international, was in critical condition Tuesday after being hit by a car while walking home in the East End of London.

Hudson, 46, who played for Chelsea, Stoke and Arsenal, underwent emergency surgery for internal and head injuries after being struck Monday night. His family said Hudson had not regained consciousness after a 14-hour operation to remove a blood clot from his brain at the Royal London Hospital. *(AFP)*

It's the Chic of Araby For FIFA, but Wrong

Saudi Tournament Comes at a Bad Time

By Rob Hughes
International Herald Tribune

LONDON — Who will spare the world's finest players, or the most committed clubs, from FIFA misrule? Soccer's international governing body is currently overseeing an eight-nation charade in Saudi Arabia that is depriving some of Europe's richest teams of star players at a crucial stage of their winter programs.

The FIFA Confederations Cup is a hollow happening in an opulent setting. It is housed in the $568 million King Fahd stadium in Riyadh, a jewel of a

WORLD SOCCER

stadium. But to judge from television, the organizers are having to play amplified tapes to raise the levels of applause even when Ronaldo, Romario, Juninho and the rest of the Brazil team are on the turf. These stars are in the desert by order.

Joao Havelange, FIFA's president, has decreed that this tournament right at the start of a World Cup year, right in the middle of a European club season, is officially a major event. The release of players is compulsory.

Havelange should be retiring soon anyway, so what does he care? FIFA's medical advisers warn that the endless demands stretch players' sinews. Sepp Blatter, the FIFA general secretary, stretched credibility even further when he gave his opinion of the club-versus-country problem:

"We are still working on a solution. It is a coordinated calendar for international matches, but this will only be accomplished when the various continents play their championship at the same time. As long as you have major league championships with more than 18 clubs, like Spain or England, you are never going to have enough free dates to allow players to compete for both their clubs and countries."

"An optimum number of clubs," he added, referring to the top divisions in each country, "would be 16."

Hold it. AC and Inter Milan, Manchester United, Real Madrid and Bayern Munich, the full-time employers of the star talents, must already free these players to international teams for at least seven matches a year. These clubs are now being told they must cut back on big-earning matches. Yet they will also have to release their stars, presumably without compensation, seven days before any event that FIFA designates as a major tournament.

I fear anarchy is afoot. Inter Milan won handsomely Sunday against Roma, with Ivan Zamorano, the captain of Chile who gets scant chances with his club side while Ronaldo is around, scoring impressively. But in England, Aston Villa lost Monday a vital league match against Manchester United when its stand-in goalie, Michael Oakes, let a shot from Ryan Giggs pass through his legs.

Villa is bound to ask whether its No. 1 keeper, Mark Bosnich, would have saved that shot. Less than 24 hours later, anyone who bothered to check would have seen Bosnich beaten, between his legs, by the only goal of a tepid contest between Saudi Arabia and Australia.

Bosnich is the senior of Villa's two goalkeepers, but as he looked up to the heavens above the spectacular Bedouin tent-style roof of the King Fahd arena, he might have wondered what he was doing so far from his real duty.

Australia was losing to the Saudis' first goal in its three games in the tournament. Australia was ending its 17-game unbeaten run under coach Terry Venables, although the Aussie federation was no doubt happy to pick up the $750,000 check guaranteed to all eight starters just for showing up.

GERMANY, the champion of Europe, refused to compete, though German clubs, like everyone else, couldn't prevent players in their employ from being hauled through the desert. For the eight countries that accepted the king's ransom — Brazil, Uruguay, Saudi Arabia, the United Arab Emirates, Mexico, Australia, South Africa and the Czech Republic — there is obvious financial enticement to play, and possibly some World Cup preparation to reap.

But as they run in a stadium where the majority of the 66,862 seats remain empty, we must suppress a yawn and remember that this is FIFA, attempting to foster the sport on developing continents. It would be easy to applaud if this tournament were some less wealthy place at a better time.

The problem is that a better time does not exist.

There is, as the physicians keep saying, a need not only to lessen the load of games players play, but also to create pockets of rest — for mind, body and soul — to refresh the sport's most coveted individuals.

The authorities hear the term "burnout" and they blame the greed of the paymasters, the clubs. But a true guardian, like a true father, protects its young from overexerting themselves. Let us hope that, come a new figurehead at FIFA next summer, we get someone who really cares about players and sees them as something other than cash cows.

The players in their short careers may be cashing in on post-Bosman "freedom." Agents may be squeezing clubs for short-term gain. FIFA, which licenses the agents, may be profiting all round. The ultimate losers? The fans who have a right to see standards maintained.

It's a naive thought, about as worthy as a grain of sand in a desert. But somebody has to voice it.

Rob Hughes is on the staff of The Times.

Rabih Moghrabi / Agence France Presse

Hussein Sulaymani of Saudi Arabia sliding in to tackle Robbie Slater, No. 7, of Australia in Riyadh on Tuesday. Saudia Arabia won the match, 1-0.

Brazil Beats Mexico, 3-2, To Reach Cup Semifinals

Reuters

RIYADH — Brazil beat Mexico 3-2 Tuesday in the Confederations' Cup, putting it at the top of Group A. Australia finished second, despite losing 1-0 earlier to Saudi Arabia.

The two advance to the semifinals Friday, while Mexico and Saudi Arabia were eliminated.

Mexico needed a draw to qualify. It played a defensive game for the first 40 minutes until Pavel Pardo fouled Brazil's Falvio Conceicao. Romario converted the resultant penalty.

Mexico adopted a more attacking approach in the second half, and Cuauhtemoc Blanco tapped home the equalizing goal in the 52d minute.

Brazil regained the lead in the 58th minute when Denilson pounced on a loose ball and scored.

Defender Junior Baiano added a third goal eight minutes later after a storming run that he finished with a ferocious shot from a narrow angle.

In the last minute, Ramon Ramirez, a Mexican substitute, curled a free-kick into the corner of the Brazilian goal.

GERMANY Third division Eintracht Trier, which had already beaten Borussia Dortmund, the World Club champion, and Schalke, the UEFA Cup holder, reached the semifinals of the German Cup on Tuesday.

It beat another amateur team, Waldhof Mannheim, 1-0. Dirk Fengler scored the winning goal four minutes into the second half.

■ A Seedy Drug-Testing Story

The Brazilian club Internacional said Tuesday that one of its players had failed a dope test because he had eaten bread rolls covered in poppy seeds in the team's hotel on the morning of a game, Reuters reported from Rio de Janeiro.

Midfielder Anderson tested positive for morphine after a Brazilian championship game, the Brazilian Football Confederation announced last week.

Court Clears Owner and Officials in Senna Death

Compiled by Our Staff From Dispatches

IMOLA, Italy — Frank Williams, owner of the Williams Formula One team, and five other defendants were acquitted Tuesday of manslaughter charges in the 1994 death of the Brazilian driver Ayrton Senna.

None of the defendants was in the makeshift courtroom near the Imola circuit in northern Italy where Senna died in the San Marino Grand Prix on May 1, 1994. Their legal teams smiled and congratulated each other when Judge Antonio Costanzo read the verdict.

The five others charged were Patrick Head, the Williams technical director; Adrian Newey, former chief designer; Federico Bendinelli, the head of the company that rented the Imola track, Roland Bruynseraede, the former circuit inspector of Federation Internationale de l'Automobile, and Giorgio Poggi, then clerk of the course.

Senna was driving a Williams car when he slammed into a concrete wall on the seventh lap of the San Marino race.

In an about-face, the lead prosecutor, Maurizio Passarini, asked last month that the manslaughter charges against Williams and the three track officials be dropped. He said Williams should be excused "for not having committed the offense."

Prosecutors also moved for acquittal of the three race officials in their final arguments last month.

Passarini asked for one-year suspended sentences for Head and Newey, saying that their alleged errors had been "microscopic."

Costanzo decided to free all six men. The reasons for his decision will be published in 90 days, court officials said. Passarini will then have a further 90 days to appeal.

The prosecutor said he would read the judge's explanation of the verdict before deciding whether to appeal. Passarini said the only appeals he would consider filing were against the acquittals of Head and Newey.

Peter Goodman, an attorney for Williams and Head, said, "I'll be very surprised if we ever do know exactly what caused" the crash.

The prosecution alleged that a poorly welded steering column broke as Senna entered the Tamburello curve of the track, causing him to lose control of his car and slam head-on into a concrete barrier.

Williams said at the trial in October that his company did not believe that the column had broken. In the weeks leading up to the race, it was cut, expanded and rewelded to satisfy Senna's demand for more cockpit space.

At the trial's start, the prosecution also charged that the course had maintenance problems. *(AP, Reuters, AFP)*

Workout Regimen Killed Wrestler

The Associated Press

YPSILANTI, Michigan — The death of a University of Michigan wrestler last week was caused by excessive training while trying to lose too much weight too fast, according to autopsy results.

Jeff Reese, 21, was engaged in a two-hour workout in a 92-degree-Fahrenheit (33-centigrade) room dressed in a rubberized wetsuit when he collapsed Dec. 9 in Ann Arbor and later died, said Dr. Bader Cassin, a medical examiner.

Reese began a program a "couple of days" prior to his death to shed 17 pounds (7.7 kilograms) so he could wrestle in the 150-pound weight class, Cassin said. "He probably got very close, if not to his goal weight," he said. "Unfortunately, it cost him his life."

Reese's death was caused by a breakdown of skeletal muscle under conditions of excessive exercise, which, combined with dehydration, resulted in kidney failure and heart malfunction. When Reese's muscle mass broke down, it flooded his bloodstream with acids that caused his kidneys to shut down.

It was the third death in six weeks of a college wrestler undergoing a rapid weight-reduction program.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
Miami	15	6	.714	—
Orlando	16	8	.667	½
New York	13	9	.591	2½
New Jersey	12	10	.545	3½
Boston	10	12	.455	5½
Washington	10	14	.417	6½
Philadelphia	6	15	.286	9

CENTRAL DIVISION

Atlanta	18	5	.783	—
Charlotte	14	7	.667	3
Cleveland	14	7	.667	3
Indiana	14	8	.636	3½
Chicago	14	9	.609	4
Milwaukee	11	11	.500	6½
Detroit	11	12	.478	7
Toronto	2	21	.087	16

WESTERN CONFERENCE

MIDWEST DIVISION

	W	L	Pct	GB
Houston	12	7	.632	—
Utah	13	9	.591	½
San Antonio	12	10	.545	1½
Minnesota	9	12	.429	4
Vancouver	9	14	.391	5
Dallas	5	12	.227	8½
Denver	2	19	.095	11

PACIFIC DIVISION

Seattle	18	5	.783	—
L.A. Lakers	17	5	.773	½
Phoenix	13	7	.650	3½
Portland	13	8	.619	4
Sacramento	7	16	.304	11
Golden State	4	16	.200	12½
L.A. Clippers	4	19	.174	14

MONDAY'S RESULTS

Philadelphia	18	21	16	28— 83
Boston	19	22	32	27—100

P: Stackhouse 7-19 9-9 25, T.Thomas 4-7 5-7 14; B: Mercer 7-16 6-8 20, Walker 7-14 2-4 17. Rebounds—Philadelphia 52 (Weatherspoon 9), Boston 56 (Bowen 9). Assists—Philadelphia 17 (Jackson 8), Boston 24 (Billups 6).

Indiana	29	36	25	28—108
Toronto	28	28	17	28—101

I: R.Miller 5-12 10-10 22, Rose 5-7 5-6 15; T: Camby 14-23 0-0 28, Stoudamire 5-15 5-6 16. Rebounds—Indiana 44 (D.Davis 8), Toronto 44 (O.Miller 8). Assists—Indiana 30 (Jackson 8), Toronto 29 (Stoudamire 15).

Utah	27	18	19	22— 86
Washington	26	22	21	18— 88

U: Malone 11-26 4-10 26, Keefe 3-8 4-5 10; W: Howard 7-19 7-10 21, Strickland 4-16 5-8 13, Murray 4-11 4-5 13. Rebounds—Utah 57 (Malone 13), Washington 59 (Davis 13). Assists—Utah 25 (Malone, Elsley 6), Washington 22 (Strickland 13).

Phoenix	25	18	21	46—184
Chicago	29	37	17	28—111

P: McDyess 10-14 3-8 23, Caballos 8-18 6-9 22; C: Jordan 10-23 11-12 31, Kukoc 9-16 2-6 23. Rebounds—Phoenix 53 (Caballos 10), Chicago 61 (Rodman 21). Assists—Phoenix 19 (Manning, Mills 4), Chicago 25 (Rodman, Brown 6).

Atlanta	21	33	23	22— 99
Portland	25	22	19	24— 90

A: Loeltner 8-13 9-10 19, Corbin 9-14 0-0 19, Mutombo 9-15 1-3 19; P: K.Anderson 7-16 6-6 20, Wallace 7-10 2-4 16. Rebounds—Atlanta 46 (Loeltner 13), Portland 50 (Trent 8). Assists—Atlanta 18 (Blaylock 6), Portland 17 (Rider 5).

HOCKEY

NHL Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
New Jersey	23	9	0	44	94	55
Philadelphia	19	9	6	44	97	76
Washington	15	12	6	36	99	91
N.Y. Islanders	13	15	4	30	87	87
N.Y. Rangers	9	14	11	29	87	95
Florida	11	17	5	27	82	102
Tampa Bay	6	21	4	16	57	102

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Pittsburgh	18	10	6	42	95	80
Montreal	18	13	4	40	103	88
Boston	16	12	5	37	86	84
Ottawa	14	15	4	32	83	78
Carolina	12	16	5	29	87	94
Buffalo	10	15	6	26	80	99

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Dallas	22	9	4	48	114	75
Detroit	19	8	6	44	110	80
St. Louis	20	12	3	43	101	81
Phoenix	13	14	6	32	88	92
Chicago	10	16	6	26	69	82
Toronto	10	16	5	25	67	84

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Colorado	18	8	9	45	105	88
Los Angeles	12	14	6	30	92	94
Anaheim	12	15	6	30	76	95
Edmonton	11	16	7	29	82	101
San Jose	12	18	3	27	82	97
Calgary	9	18	7	25	87	102
Vancouver	10	19	4	24	98	116

MONDAY'S RESULTS

Boston	2	3	1—6
Florida	1	0	1—2

First Period: F-Sheppard 8 (Washburn, Mellanby) (pp), 2, B-Khristich 9 (Bourque, Carter) (pp), 3, B-Heinze 7 (Donato, Allison) Second Period: B-Donato 14 (Heinze, Allison) 5, B-Taylor 10 (Bourque) 6, B-Sullivan 2 (Axelsson) Third Period: F-Nemirovsky 7 (Laus) (pp), 8, B-McLaren 3 (Carter, Khristich) Shots on goal: B- 15-17-6—40. F- 13-7-8—28. Goalies: B-Cotton. F-Vanbiesbrouck, Fitzpatrick.

Philadelphia	2	0	1—3
Montreal	1	0	0—1

First Period: P-Prospal 5 (Grattan, Desjardins) (pp), 2, P-Lindros 14 (LeClair, Niinimaa) (pp), 3, M-Recchi 16 (Kolzu, Bure) (pp). Second Period: None. Third Period: P-Klatt 5 (Brind'Amour, Desjardins) Shots on goal: P- 12-8-7—27. M- 5-11-5—21. Goalies: P-Snow. M-Thibault.

Ottawa	1	0	2—3
St. Louis	0	0	1—1

First Period: O-Yashin 12 (McEachern) Second Period: None. Third Period: O-Yashin 13 (McEachern, Lavikkanen) 3, S.L.-Poeschek 1 (Hull, Courtnall) 4, O-, Phillips 2 (McEachern) Shots on goal: O- 9-9-8—26. S.L.- 8-5-13—26. Goalies: O-Tugnutt. S.L.-Fuhr.

Buffalo	1	1	2—4
Dallas	3	3	2—8

First Period: D-Langenbrunner 16 (Zubov, Nieuwendyk) (pp), 2, B-Sakic 14 (Holzinger, Audette) (pp), 3, D-Nieuwendyk 17 (Adams, Verbeek) 4, D-Sydor 4, Second Period: D-Sydor 5 (Langenbrunner) 6, D-Langenbrunner 16 (Zubov, Mrkac) (pp), 7, B-Holzinger 7 (Zhitnik, Woolley) (pp), 8, D-Adams 7 (Zubov, Sydor) (pp). Third Period: B-Plante 6 (May, Audette) 10, D-Verbeck 13 (Zubov, Reid) 11, D-Chambers 1 (Lehtinen) (sh), 12, B-Poco 6 (Woolley, Holzinger) (pp). Shots on goal: B- 7-8-11—26. D- 11-13-11—35. Goalies: B-Hasek, Shields. D-Belfour.

Toronto	1	0	1—2
Colorado	0	2	0—3

First Period: T-Berezin 9 (D.King, Sullivan) Second Period: C-Messier 4 (Sakic) 3, C-Forsberg 12 (Lemieux, Krupp) 4, C-Corbet 8 (Sakic, Lacroix) Third Period: T- Johnson 7 (Macoun, Sundin) Shots on goal: T- 3-11-11—25. C- 8-13-14—35. Goalies: T-Potvin. C-Billington.

Los Angeles	0	0	0—0
Vancouver	3	3	1—7

First Period: V-Bure 19 (Mogilny, Babych) 2, V-Bure 20, 3, V-Gelinas 4 (Messier) Second Period: V-Linden 6 (Gelinas) 5, V-Bure 21 (Messier, Babych) (pp), 6, V-Scatchard 6 (Odjick, Mogilny) Third Period: V-Odjick 2 (Bure, Messier) Shots on goal: L.A.- 6-8-9—23. V- 11-16-10—37. Goalies: L.A.-Fiset, Chabot. V-Irbe.

FOOTBALL

NFL Standings

AMERICAN CONFERENCE

EAST

	W	L	T	Pct.	PF	PA
New England	9	6	0	.600	355	277
Miami	9	6	0	.600	322	313
N.Y. Jets	9	6	0	.600	328	274
Buffalo	6	9	0	.400	234	346
Indianapolis	3	12	0	.200	285	362

CENTRAL

y-Pittsburgh	11	4	0	.733	366	291
y-Jacksonville	10	5	0	.667	374	309
Tennessee	7	8	0	.467	317	304
Baltimore	6	8	1	.433	312	329
Cincinnati	6	9	0	.400	339	391

WEST

x-Kansas City	12	3	0	.800	350	219
y-Denver	11	4	0	.733	434	284
Seattle	7	8	0	.467	327	353
Oakland	4	11	0	.267	315	399
San Diego	4	11	0	.267	263	387

NATIONAL CONFERENCE

EAST

	W	L	T	Pct.	PF	PA
x-N.Y. Giants	9	5	1	.633	287	258
Washington	7	7	1	.500	292	257
Philadelphia	6	8	1	.433	285	337
Dallas	6	9	0	.400	297	294
Arizona	3	12	0	.200	254	353

CENTRAL

x-Green Bay	12	3	0	.800	391	261
y-Tampa Bay	9	6	0	.600	268	248
Detroit	8	7	0	.533	366	296
Minnesota	8	7	0	.533	315	331
Chicago	4	11	0	.267	248	390

WEST

x-San Francisco	13	2	0	.867	366	227
Carolina	7	8	0	.467	247	284
Atlanta	7	8	0	.467	294	332
New Orleans	6	9	0	.400	224	302
St. Louis	4	11	0	.267	269	341

x-won division title
y-clinched playoff berth

MONDAY'S RESULT

San Francisco 34, Denver 17

SKIING

World Cup

Leading results Monday from a men's World Cup slalom in Sestriere, Italy:

1, Finn Christian Jagge, Norway, one minute, 51.43 seconds; 2, Thomas Sykora, Austria, 1:51.77; 3, Hans-Petter Buraas, Norway, 1:51.85; 4, Alberto Tomba, Italy, 1:52.05; 5, Martin Hansson, Sweden, 1:52.24; 6, Joel Chenal, France, 1:52.59; 7, Michael Von Grunigen, Switzerland, 1:52.60; 8, Lasse Kjus, Norway, 1:52.81; 9, Fabrizio Tescari, Italy, 1:52.89; 10, Thomas Grandi, Canada, 1:52.90.

OVERALL STANDINGS (After 9 events): 1, Hermann Maier, Austria, 429 points; 2, Stefan Eberharter, Austria, 346; 3, Von Grunigen, 310; 4, Kjetil-Andre Aamodt, Norway, 297; 5, Josef Strobl, Austria, 276; 6, Lochar, Switzerland, 199; 8, Kjus, 182; 9, Hans Knaves, Austria, 175; 10, Jagge, 168.

CRICKET

TASMANIA VS. SOUTH AFRICA
FOUR DAY MATCH, FINAL DAY
TUESDAY, IN DEVONPORT, AUSTRALIA
Tasmania 1st innings: 535-5 declared
S. Africa 1st innings: 402-8 declared
Tasmania 2d innings: 147-7 declared (overnight 27-0)
S. Africa 2nd innings: 94-2
Result: Match drawn.

CHAMPIONS' TROPHY
INDIA VS. WEST INDIES
TUESDAY, IN SHARJAH, UAE
West Indies: 229-6 (50 overs)
India: 188 (42.2 overs)
Result: West Indies won by 41 runs.
West Indies to face England in final.

SOCCER

ENGLISH PREMIER LEAGUE
Manchester United 1, Aston Villa 0
GERMAN CUP
QUARTERFINAL
Eintracht Trier 1, Waldhof Mannheim 0
CONFEDERATIONS' CUP
GROUP A
Saudi Arabia 1, Australia 0
Brazil 3, Mexico 2

TRANSITION

BASEBALL
AMERICAN LEAGUE
BALTIMORE—Agreed to terms with LHP Norm Charlton on minor-league contract.
CLEVELAND—Agreed to terms with 3B Travis Fryman on 5-year contract.
KANSAS CITY—Agreed to terms with 3B Dean Palmer on 1-year contract with option.
OAKLAND—Released OF Patrick Lennon.
SEATTLE—Agreed to terms with C Rick Wilkins on 1-year contract. Released INF Brent Gates and OF Lee Tinsley.
NATIONAL LEAGUE
CINCINNATI—Announced the resignation of Julian Mock, scouting director.
FLORIDA—Traded RHP Kevin Brown to San Diego for RHP Rafael Medina, LHP Steve Hoff and 1B Derrek Lee.
PHILADELPHIA—Acquired RHP Mike Welch from N.Y. Mets for LHP Hector Mercado. Agreed to terms with LHP Billy Brewer on minor-league contract. Named Bill Dancy manager of Clearwater, FSL.
PITTSBURGH—Acquired RHP Javier Martinez from Oakland for cash. Released LHP Steve Cooke.

BASKETBALL
NATIONAL BASKETBALL ASSOCIATION
DENVER—Signed F Harold Ellis. Waived C Steve Schefler. Put C George Zidek on injured list.
PHILADELPHIA—Suspended G Allen Iverson 1 game for violating team rules.

FOOTBALL
NATIONAL FOOTBALL LEAGUE
CAROLINA—Put OT Norberto Davidds-Garrido and DE Shawn King on injured reserve. Waived DE Israel Raybon. Signed TE Luther Broughton off Philadelphia practice squad.
CINCINNATI—Put WR Carl Pickens on injured reserve. Signed DT Mike Thompson.

HOCKEY
NATIONAL HOCKEY LEAGUE
CALGARY—Re-signed G Rick Tabaracci to 2-year contract.
DALLAS—Reassigned D Dan Keczmer to Michigan, IHL.
VANCOUVER—Reassigned G Tom Kaynes to Dayton, ECHL.
WASHINGTON—Recalled LW Brad Church from Portland, AHL.

COLLEGE
NEW MEXICO—Announced resignation of Dennis Franchione, football coach.

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هكذا من الأصل

SPORTS

Wizards Nip Jazz for 5th Straight in New Home

The Associated Press

A new arena has given the Washington Wizards a new home-court advantage.

The Wizards lost their first five home games this season at US Airways Arena in Maryland. Then they moved to the

NBA Roundup

MCI Center in downtown Washington, where they improved to 5-0 Monday night with an 88-86 victory over the Utah Jazz.

Juwan Howard scored 21 points and Rod Strickland had 13 points and 13 assists for Washington, which recovered after blowing an 11-point fourth-quarter lead. "It was an ugly game," Strickland said. "I don't know if we played that great, but we were able to sustain our effort and play tough on the defensive end."

Despite shooting only 35 percent from the field, Washington snapped a three-game losing streak.

Celtics 100, 76ers 83 In Boston, Ron Mercer scored 20 points as the Celtics beat Philadelphia, which played without Allen Iverson, its suspended star.

Iverson was serving a one-game banishment for missing a practice, and the 76ers couldn't handle the Celtics' press. Philadelphia committed 28 turnovers, including 11 during the decisive third quarter when Boston took control with a 21-3 run.

Jerry Stackhouse led Philadelphia with 25 points.

Iverson missed practice in New York on Sunday, a day after the Sixers lost to the Knicks, 95-83. Larry Brown, the Philadelphia coach, said before the Celtics game that he expected to have Iverson available, but the Sixers vice president of basketball administration, Billy King, announced the suspension.

The 22-year-old point guard watched the game on the Sixers' bench in street clothes. Afterwards, he declined to comment, instead bobbing his head to music coming through his headphones.

Eric Montross, the Philadelphia center, said the players supported the decision. "The rules have to be enforced," he said.

Pacers 108, Raptors 101 Reggie Miller scored 22 points and Jalen Rose, a reserve, had 15 points and seven assists as Indiana beat Toronto for the 10th straight time.

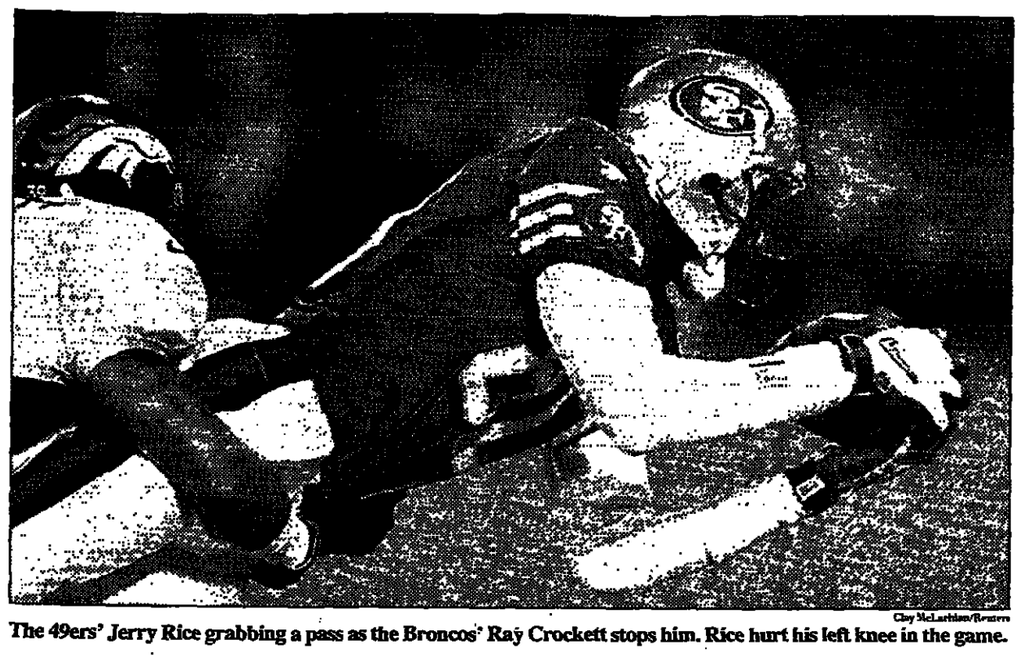
Marcus Camby scored a season-high 28 points for the Raptors, who fell to 2-21 with their 10th straight home loss.

Bulls 111, Suns 104 In Chicago, Michael Jordan scored 31 points, Dennis Rodman grabbed 21 rebounds and the Bulls used a big second quarter to beat Phoenix.

Toni Kukoc added 23 points for the Bulls, and Jason Caffey had 18 points and 10 rebounds, both season highs.

Hawks 99, Trail Blazers 90 Tyrone Corbin scored a season-high 19 points and Christian Laettner added 19 points and 13 rebounds as Atlanta beat Portland for the sixth straight time.

Ed Gray, a reserve, added 16 points for the Hawks, who were playing their fourth road game in five nights. Gray took over at point guard in the second quarter for Mookie Blaylock, who scored only eight points on 3-of-12 shooting.



Clay McLachlan/Reuters

The 49ers' Jerry Rice grabbing a pass as the Broncos' Ray Crockett stops him. Rice hurt his left knee in the game.

49ers Make It a Show for the Ages

Rice, Young, Kirby (and Even Montana) Star as the Broncos Fall

By Mike Freeman
New York Times Service

SAN FRANCISCO — The only thing missing from San Francisco's 34-17 victory over the Denver Broncos on Monday night was a speech from Knute Rockne.

Jerry Rice played in his first game since tearing two knee ligaments Aug. 31 and scored a touchdown. Since he was not expected to play again this season, apparently miracles do happen. Joe Montana had his No. 16 jersey retired at halftime. The tight end Brent Jones played his first game since announcing he would retire after the season. When it comes to tear-jerking, eye-popping moments, this evening was an all-timer.

Somewhere in all this was a hard-hitting football game that refused to take second stage to any ceremony. How tight was it? The score was tied at 17 in the third quarter, with neither team having been able to take control. How nasty was it? Denver linebacker Bill Romanowski — a former 49er — spit in the face of San Francisco wide receiver J.J. Stokes while they were jawing at one another. Merry Christmas.

Rice made his return special by catching a 14-yard touchdown pass with 6 minutes, 53 seconds left in the second quarter — but he was hit hard by Denver safety Steve Atwater, limped off and did not play again. Minutes later, Montana was talking to the crowd about his career as a 49er.

The team said Rice would go for scan on Tuesday. CNN, the cable news network, quoted team sources as saying Rice has a cracked bone in his left knee and will miss all of the playoffs.

With all those offensive stars at 3Com Park, leave it to a defensive back to turn the game around. Midway through the third quarter, safety Merton Hanks took advantage of a blitz that forced John Elway to make a hurried throw. Hanks stepped in front of the pass to seemingly no one and scampered 55 yards for a touchdown and a 24-17 lead. In the fourth quarter, linebacker Kevin Greene sacked Elway, forced a fumble and rumbled 40 yards with the loose ball to make the score 34-17.

In a matchup of the top-rated passers in each conference, the 49ers' Steve Young came out on top, completing 22 of 34 passes for 276 yards and one touchdown with no interceptions. Elway finished 16 of 41 for 150 yards, with no touchdowns and two interceptions. Terry Kirby led the 49ers receivers with six catches for 76 yards; Jones caught four for 68 yards.

The Broncos, who played without the Pro Bowl running back Terrell Davis in the second half because of a bruised shoulder, fell to 11-4. They will likely meet the Jacksonville Jaguars, who knocked them out of postseason play last season, in the playoffs. Denver's loss enabled Kansas City to clinch home-field advantage in the American Conference throughout the playoffs.

With the victory, San Francisco (13-2) wrapped up home-field advantage throughout the playoffs in the National Conference.

There was probably a part of Elway and the Broncos that wanted to watch the halftime ceremonies.

While Montana's greatness was being hailed Monday night, his last years with San Francisco actually were not all pleasant ones. They were filled with injuries and ended in bitterness after he was let go by the team he loved in favor of Young.

After a video showing Montana's highlights, emotional introductions from the former owner, Eddie DeBartolo, and his old coach, Bill Walsh, Montana, escorted by his wife and two children, walked onto the field.

"I would just like to say I am very honored to be standing here tonight," he said. He left the field to fireworks and hugs from former teammates Rice, Jones and Young who had come out of the locker room to watch.

Just Monopoly Money: Baseball Board Game

As Teams Wheel and Deal, Few Pass 'Go'

By Thomas Boswell
Washington Post Service

RECENTLY, my son discovered Monopoly. We played a few games. Soon, he got serious and unearthed something called "The Monopoly Companion" at the library. Winning strategies from world champions. Tip sheets on which properties had the best payoff ratios. How to create a housing shortage. When to stay in jail. How to pretend you're a nice person so that others in the game will be duped into trading with you.

Nothing has changed my view of a favorite amusement so much since baseball invented free agency. No matter how wonderful a game, you can always turn it into a job if you take it seriously enough. Whatever happened to rolling the dice and hoping you landed on Boardwalk?

In baseball, you can't just roll the dice between April and October any more. Instead, you can be compulsive about the sport 12 months a year. Understanding hot stove league baseball isn't so hard these days. Not if you're good at three-dimensional checkers.

Sometimes, the growing complexity of this once-simple game seems like a multiplication of the fun. But sometimes you want to scream. "Enough already."

For example, the Cleveland Indians and Florida Marlins played in the World Series a few weeks ago. Name their lineups now.

If you can, you are certifiable. It's possible no one on earth can name these clubs' Opening Day lineups. Because these teams don't exist any more. Blink and they're gone. That's modern baseball.

Matt Williams, Marquis Grissom, Tony Fernandez, Bip Roberts and Orel Hershiser started Game One of the Series for the Indians. They're history. So are Brian Anderson and Jeff Juden. Through multifarious three-way trades, free agent signings and expansion team draftings, the Indians now have Kenny Lofton, Travis Fryman, Dwight Gooden, Ben McDonald, Steve Karsay and, probably, several other people, too.

Don't get too attached to any of them. Think of Jacobs Field as a bus terminal.

As for the Marlins, they've been blown up. Kevin Brown, the team ace, was traded to San Diego for three minor leaguers Monday. Gotta lower that payroll if you're gonna sell those world champions. It's not just Moises Alou, Robb Nen, Jeff Conine, Devon White, Jim Eisenreich and, soon, Dutch Daulton, who won't be back. Even the pitching coach and bench coach have hit the trail.

IT'S TAKEN 20 years, but baseball has moved into the totally fluid world of utter personnel flux. General managers and owners know that, each winter, they can act like a bunch of hyperactive 11-year-olds sitting around a game board screaming, "I'll give you Park Place, Water Works and $1,000 for New York Avenue and Marvin Gardens."

Off-season baseball is really just one big swapfest among grown-up rotisserie geeks. For example, say you have a salary slot for a player who's in the three-years-for-$24 million category. Andres Galarraga, Darryl Kile and Lofton all fit that description.

So, the Big Cat went from Colorado to Atlanta, while Lofton left Atlanta for Cleveland, which had plenty of cash to spend because Williams was gone. The Rockies then signed Kile away from Houston.

Everybody got whole. Except the Astros. Now they have to decide: save money or sign some of the leftover free agents, such as Rod Beck and Cecil Fielder.

Got it?

Of course you don't.

Luckily for baseball, while almost nobody cares about all 30 teams, nearly everybody cares about his own team.

Baseball is still the greatest soap opera in sports. That's what keeps reviving the game. The trick these days is not to allow it to become an obsession. Keep your focus small. Enjoy what appeals to you. Ignore the rest.

As Red Sox fans have recently learned, sometimes it takes a year to find out what really happened. Boston didn't simply lose Roger Clemens to free agency last winter. The board game that baseball has become is considerably more complex than that.

The Red Sox actually swapped Clemens for Pedro Martinez — this season's National League Cy Young winner. It took the Boston front office a year to find the proper pitcher on whom to bestow the money made available when Clemens departed. Martinez is nine years younger.

Baseball's game of Monopoly has one indisputably serious problem: It's anti-monopolistic. No sooner did the sport expand than the new Arizona Diamondbacks redefined the off-season market by giving the modestly gifted shortstop Jay Bell $34 million for five years.

"Some of these signings defy description," huffed the Yankees' owner, George Steinbrenner. And that was before Boston came to terms with Martinez — for $75 million. Of course, maybe the Red Sox think they can pay him with orange $500 bills.

Stars End Drought at Sabres' Expense

The Associated Press

Darryl Sydor and Jamie Langenbrunner scored two goals apiece as the Stars ended a recent scoring drought with an 8-4 rout of the Buffalo Sabres in Dallas.

The Stars had been quiet without their leading scorer, Mike Modano, who tore a knee ligament against Edmonton on Dec. 3 and is expected to be out another month. Dallas had seven goals in the four games following Modano's injury before breaking out Monday night.

Sergei Zubov matched his career high with four assists, and Joe Nieuwendyk, Greg Adams and Pat Verbeek each had a goal and an assist for the Stars, who had been shut out in two of their previous three games.

"We've been struggling to score so it was a nice change for us," said Langenbrunner, who matched a career high with a three-point night.

"Buffalo's a battling team," Nieuwendyk said after the teams combined for 118 penalty minutes. "We expected things to be physical, but I didn't think things would get that chippy."

Canucks 7, Kings 0 Pavel Bure recorded his third hat trick this season and Arturs Irbe earned a shutout as Vancouver ended a five-game losing streak by winning at Los Angeles.

Bure, who leads the Canucks with 21 goals, capped his ninth career three-goal game in the second period on a power play. Mark Messier had three assists for the Canucks.

Los Angeles is winless in its last six games.

Flyers 3, Canadiens 1 In Montreal, Vaclav Prospal and Eric Lindros scored power-play goals in the first period as Philadelphia won its fourth game in five nights.

The game included a six-man brawl in the second period that resulted in 112 penalty minutes and four game misconducts and left the Canadiens with four defensemen.

Garth Snow stopped 20 of 21 shots in the Philadelphia goal, including a key glove save on a shot by Vincent Damphousse in the closing minutes.

Bruins 6, Panthers 2 In Miami, Steve Heinze scored a goal and added an assist as Boston won its fifth straight.

Heinze has five goals and four assists in his last five games.

Senators 3, Blues 1 Alexei Yashin scored twice and Shawn McEachern assisted on all three Ottawa goals as the Senators won in St. Louis.

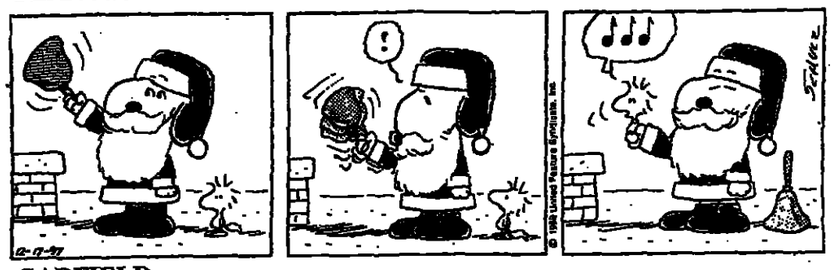
Avalanche 3, Maple Leafs 2 In Denver, Peter Forsberg and Rene Corbet scored goals 21 seconds apart in Colorado's three-goal second period.

Eric Messier added a goal and Joe Sakic had two assists for the Avalanche, winners of seven of their last 11. Craig Billington, subbing for Patrick Roy in the goal, stopped 23 shots, three of them on breakaways.

DENNIS THE MENACE

"I NEED A REALLY EXPENSIVE GIFT FOR MY MOM FOR A DOLLAR AND TWENTY-TWO CENTS."

PEANUTS



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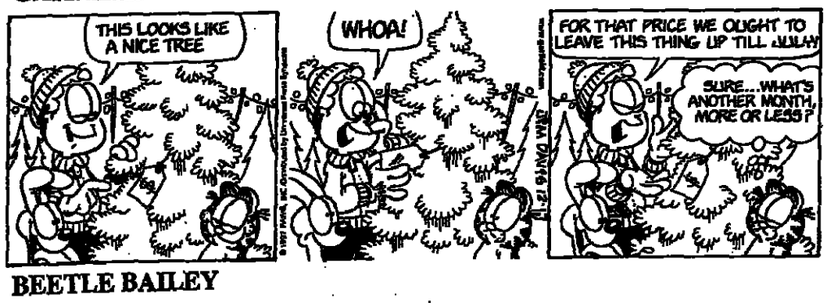

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BLONDIE

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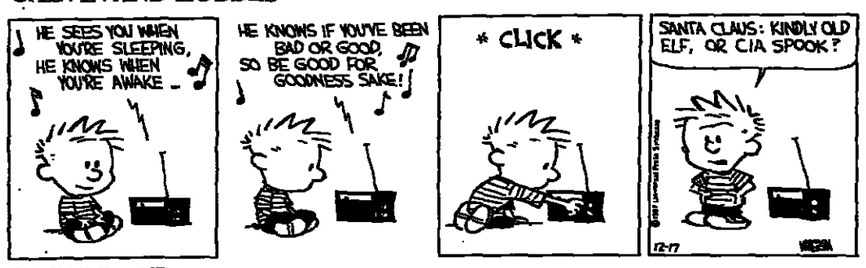

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OBSERVER

Little White Lies

By Russell Baker

NEW YORK — The late Ambassador Larry Lawrence is back in Southern California after brief interment in Arlington National Cemetery. Friends of truth throughout America are gratified.

Lawrence, having invented a heroic wartime career for himself, was deemed a suitable candidate for this most desirable of national cemeteries, overcrowded though it be, and down he went.

Then — the prosaic fact unearthed: He had made it all up about the war. All patriots, plus Congress, were incensed. So up he came, and out he went.

Yes, I am laboring too hamhandedly at this effort to share the general amusement at Lawrence's expense. Patriotic convention requires a show of outrage, or at least contempt.

Still, I am puzzled about Lawrence. There was a silly innocence about his lies. He had been talking for years about being aboard a ship that was torpedoed on the icy run to Murmansk. It was all false.

Could he possibly, long before most people normally start preparing for eternity, have cooked up this fiction for the macabre purpose of someday being admired to Arlington?

The evidence certainly suggests that he wanted a touch of World War II heroism in his résumé. Fifteen years ago he had the history of the maritime war researched to find a torpedoed ship aboard which he might have served. Merchant-marine service would be easier to fake than official military service, which generated easily available records for snoopers to find. The mystery is why he wanted a war record at all. He was scarcely of draft age when the war ended in 1945. Lack of war service could not have embarrassed him.

He seems to have been one of those people who are powerless to resist improving on a good story and who, lacking a story to improve, will invent one.

American life is drenched in advertising, whose deceptions are so widely taken for granted that objecting to them marks you as a hopelessly dour Puritan. The economist John Kenneth Galbraith suggests that Americans have a built-in "mendacity index" with which they automatically discount all advertising claims for lie content.

□

The lie told to make money is as American as — well, as American as Lou Gehrig. Here is Lou speaking of cigarettes in a full-page ad from The Saturday Evening Post of April 24, 1937:

"For a sense of deep-down contentment — just give me Camels. After a good man-sized meal, that little phrase 'Camels set you right' covers the way I feel. Camels set ME right, whether I'm eating, working — or just enjoying life. All the years I've been playing, I've been careful about my physical condition. Smoke? I smoke and enjoy it. My cigarette is Camel."

There is also a lie, in the opinion of Paul Fussell, in the language with which we discuss the war dead. A combat infantryman who fought in France, Fussell says the truth is not that men give their lives in war, but that governments take them. Charles Frazier's best-seller, "Cold Mountain," is about the fate awaiting a soldier who would rather not give his life. Many World War II draftees will take Fussell's point.

New York Times Service

The Taskmaster Who Made 'Titanic,' the Movie

By Justine Elias
New York Times Service

NEW YORK — When it opens in the United States on Friday, "Titanic," the movie that has long been the subject of Hollywood gossip and public fascination, will be almost six months late and $100 million over its original $100 million budget. But there is nothing personally slow or extravagant about the film's director, writer, producer and editor, James Cameron.

He is a supremely focused taskmaster who speaks so fast that his associates can scarcely apprehend one of his ideas before he has moved to the next.

Case in point: As Cameron critiqued the final cut of "Titanic," giving his last directions regarding its printing, his obsessive, rapid-fire remarks so confounded his colleagues that they had to scramble to videotape him so they would be able to review his commentary later and carry out his orders. "There's no way to take notes when I get going," Cameron said. "And usually there is no second chance."

During a decadelong run of seven technically innovative, emotionally complex action films — from "The Terminator" (1984) to "Aliens" (1986) to "True Lies" (1994) — Cameron, who is 43, moved boldly in establishing himself as the leading action-movie director. All told, his films have earned more than half a billion dollars and 18 Academy Award nominations.

"Titanic," which is both a lavish simulation of one of the worst sea disasters ever and an old-style romance, starring Leonardo DiCaprio and Kate Winslet, may serve notice that Cameron is a Hollywood director who has learned how to put technological innovation, and a huge budget, at the service of drama.

Cameron is known for his perfectionism and for high-handed dealings with actors, crew and studio bosses. But he also has a reputation for getting things done under adverse circumstances, and that reputation will be enhanced now that "Titanic," despite its troubled history, is arriving in theaters, to much early acclaim, with some chance of breaking even if not actually making money.

The history of the movie is almost as familiar as that of the Titanic, the state-of-the-art British ocean liner that sank in the early hours of April 15, 1912, after colliding with an iceberg in the North Atlantic (more than 1,500 of some 2,200 people aboard died).

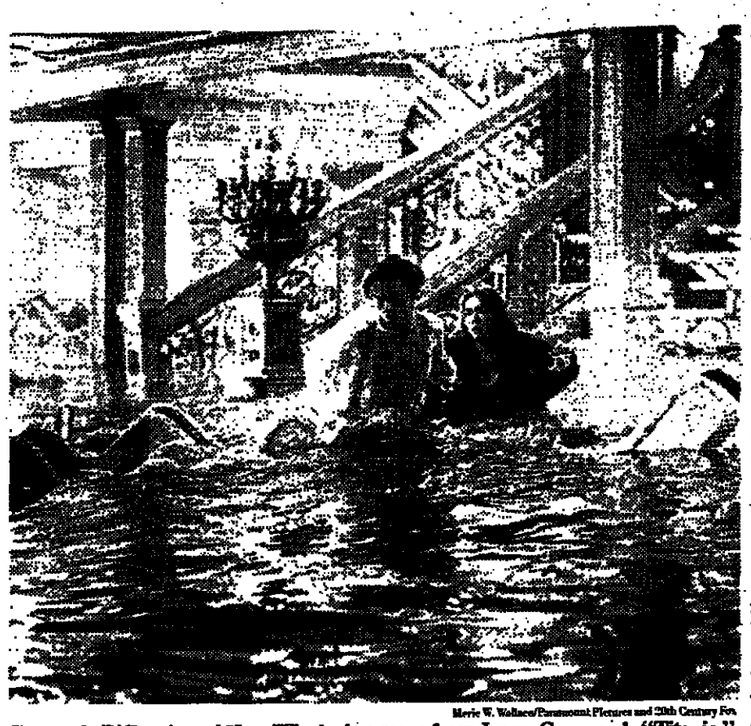
Cameron and his team started to research the ship's story more than five years ago. In typical Cameron fashion, he insisted on filming the actual wreckage, which was discovered in 1986 about 400 miles off the coast of Newfoundland.

He did so with the help of his brother Michael, a mechanical engineer who fashioned a mobile titanium housing that could protect a 35-mm movie camera from the water pressure two and a half miles down and could be operated by remote control from a small submarine. (Film from this expedition is included in "Titanic," as part of a contemporary story that frames the historical account.)

As Cameron continued to film the contemporary part of his story on a Russian scientific boat off the coast of Nova Scotia, Fox finished constructing its new production center in Rosarito, Mexico. There, in the fall of 1996, set designers constructed a nine-tenths-scale model of the opulent ship and a 12-acre water tank, and Cameron proceeded to re-create the sinking of the Titanic.

After shooting fell a month behind schedule — because of weather and technical difficulties and not, Cameron said, injuries on the set and a bizarre incident in which 80 members of the cast and crew were poisoned by tainted seafood — the projected release date, July 2, became impossible to meet.

Cameron's previous screen stories, about self-reliant heroines who tangle with killer aliens, killer androids and killer spies, were composed on a large canvas. This time, he has dared to go farther, setting his story in the midst of one of the most potent symbols of 20th-century hubris. He said he wanted audiences to come away from "Titanic" not primarily awed by effects-driven spectacle but humbled by the depiction of the hard choices faced by the people on the ship.



Merrie W. Wallace/Paramount Pictures and 20th Century Fox

Leonardo DiCaprio and Kate Winslet in a scene from James Cameron's "Titanic."

Cameron said that in his "Titanic" he wanted to take a different tack from that taken in the almost documentary-like "A Night to Remember," the acclaimed 1958 British film. "I wanted to honor the reality of Titanic, but I don't want that to get in the way of telling a great story," he said. "This is the most character-driven script I've ever done. I wanted it to be about the Titanic in the way that 'Dr. Zhivago' is about the Russian Revolution. It isn't, really. It's about these two people."

"Titanic" centers on the ill-starred romance of a society girl, Rose DeWitt Bukater (Winslet), and a penniless artist, Jack Dawson (DiCaprio), two teenagers who find in each other the will to survive. "You can't have a great love story without death being a factor," Cameron said.

The contemporary story, set aboard a treasure hunter's ship and narrated by Rose (Gloria Stuart), now 101 years old, is "about the transference of dynamic energy from one person to another to another," the director said. "The greatest loves in a person's life are the ones that have a transformative effect. You can't really change; you can only emerge."

Cameron has vast experience with this subject; he has been married four times, most recently to the actress Linda Hamilton, the star of the "Terminator" movies. "Of course, that's a very optimistic view of relationships," he added. "Sometimes it works in the opposite way: It can bring out the worst in a person."

What brings out the worst in Cameron, at least in a professional setting, was the subject of much ill-timed reportage from the set of "Titanic." He makes no apologies for his toughness on actors and crew members, but he is infuriated by reports of unsafe conditions on the Mexican set. Though one crew member was injured driving her own car in an after-hours road accident, and three stunt players broke bones, no actors or extras required hospital treatment, the film's producers say.

Even before he started "Titanic," Cameron's tendency to browbeat cast and crew when things didn't go his way had become the stuff of Hollywood legend. "I definitely have this kind of reputation, and it's probably deserved up to a certain extent," he acknowledged. "I think there's a perception that I'm this old-school director with jodhpurs and a megaphone, yelling, and that's not the way it is at all. The performances you see in this film, or in any of my films, would not have occurred under those circumstances."

MUSIC

The Tenor and the Fan: Magnificent Obsession

By Ralph Blumenthal
New York Times Service

NEW YORK — Opera stars have their claques, fanatical followers and sometimes even completely demented stalkers. But few, it is safe to say, have anyone like the fan Richard Leech has in Rosemary Dunne.

Since the tenor's 1984 City Opera debut, she has attended about 100 of his performances, including every one of his 74 appearances on the Metropolitan Opera stage since November 1992 — sitting, invariably, in the first row. She has traveled to most of his engagements around the country and abroad, organizing her life around his schedule, which she carries around on a 4-by-5-inch card in her pocketbook. In June, she flew to Paris to hear three of his "Manons" and on the way home via London, made an impulsive decision to detour back to Paris through the Chunnel to catch a fourth.

On Saturday Dunne flew to Chicago for Leech's performance at the Lyric Opera as Pinkerton in "Madame Butterfly." She returned to New York on a 7 A.M flight Sunday and plans to go back to Chicago for two more performances of "Butterfly" next month.

For Leech's 100th Met performance — as Faust, on May 24 — Dunne and her friend Trudy Lampert, another opera buff, threw a party at the Met for him and the cast with a marzipan cake depicting the opera house surrounded by musical notes. Two days later, for his 40th birthday, she presented him with 100 golf balls (he likes golf) that she had inscribed with his roles at the Met and date of performance.

"I kept saying to myself, 'She really needs to get a hobby,'" Leech said fondly, in her presence. "And then I realized, I'm it."

In some ways, Dunne represents the passionate excesses that opera, of all the arts, seems to inspire in devotees, from the cultists who worshiped the soprano Magda Olivero to the writers who fill issues of Parterre Box: The Queer Opera Zine, a bimonthly with freewheeling and often X-rated commentary on singers and their performances on and off the stage.

But Dunne breaks many of the stereotypes. For all her devotion, she is no starry-eyed groupie. She is a 55-year-old bank vice president, unmarried and living on Long Island, who displays no romantic interest in the happily married Leech. She is fastidious about not encroaching on his privacy and regards her own fixation with wry amusement.

"It wasn't a matter of saying, 'Hey, I'm going to all your performances,'" she said. "It just happened."

Just happened? Following a singer around the world and spending up to $200 a ticket just happened? "So what?" she said. "It's my Valium. I save on therapy."

But asked whether he had changed her life, Dunne laughed. "Get real," she said. "No."

In interviews with and without Leech in the West Side apartment of his publicity agent, Karen Kreindler Nelson, Dunne, a stolid woman with a self-effacing air, seemed unable to fully fathom her actions.

In some ways, she represents the passionate excesses that opera seems to inspire in devotees.

"It's tough," she began uncertainly, when asked to explain. "I like him very much. He's a total performer. You don't see that much."

She works in a "pressure cooker," she said, and finds opera — "my babit," she called it — her way to unwind. "Something comes over me when I get there," she said. "I relax."

She was especially drawn to Leech, she said, who reminded her of a favorite nephew also named Richard. Above all, she said, she responded to his strong tenor voice and acting ability. (She didn't mention his idiosyncrasies, like applying his own stage makeup and chewing ice.)

"He's a very private person," Dunne said. "I don't think he knew what to make of me. I think he probably decided I'm crazy but harmless."

Leech seemed equally bemused. "They come along," he said, "but there's never been one like Rosemary."

Dunne traced her interest in opera to her father, a music lover who worked on Wall Street and died when she was 11. Raised in Brooklyn, she attended St. John's University as a history major, toyed with law and studied banking. As a season subscriber to the City Opera, she first heard Leech singing Rodolfo in "La Boheme" there in 1984, a few performances after his debut. "I was probably normal then," she said. She quickly realized, she said, "Wooo, we got a tenor."

For some years her opera-going took second place to family duties as she took over emergency care of a relative's children, but on Nov. 19, 1992, she said, her friend Lampert — a Placido Domingo partisan — took her backstage to meet Leech after a performance of "Lucia di Lammermoor" — his 34th engagement at the Met. She made his next performance and the three after that. "At some point it dawned on him I was not giving up," she said.

Dunne has never missed another of his performances at the Met and in addition followed him to appearances in Montreal, Pittsburgh, Cincinnati, Chicago, Los Angeles, San Francisco, San Diego and, last July, London and Paris — when she saw him four times as Des Grieux in Massenet's "Manon" and joined Leech and friends for dinner afterward.

Leech said Dunne's enthusiasms took some getting used to. He and his wife, Laurie Higgins, assistant stage director of Tri-Cities Opera in Binghamton, New York, where he got his start, were long nervous over the excesses of some fans. Once, he said, a professor talked his way back stage to his dressing room and made intimate moves before Leech had him ejected. "The guy was nuts," he said.

Dunne said stalking was not on her agenda — "I didn't know you could do that" — but jokingly refused to rule it out for the future. "You got to give me 10 years," she said.

PEOPLE

IT was a night for princes and Spice Girls. **Prince William**, 15, and his brother, **Prince Harry**, 13, took their friends to meet the five Spice Girls before the world premiere of the rock group's first movie, "Spice World." The princes' father, **Prince Charles**, was also on hand. The three princes and the five Spices had a private five-minute meeting at the theater in London before the screening. The Spice Girls sat with the princes during the movie and then went to a party in their honor at the Waldorf Hotel. Harry met the Spice Girls at a concert in South Africa last month that he attended with his father, but this was their first meeting with William. . . . William and Harry watched Camilla Parker Bowles participate in a fox-hunt, marking what is believed to be the first time the boys have been seen at an event at the same time as their father's longtime friend. Charles did not attend the hunt but the two young princes were seen following in separate vehicles as Parker Bowles and **Princess Michael of Kent** rode to hounds near their father's country mansion in Gloucestershire. William and Harry made their debut hunt in February 1995.

John Stillwell/Agence France-Presse

Charles and Spices at the movie premiere.

□

A man was sentenced to six years and eight months in prison for trying to extort $80,000 from the model **Elle Macpherson** by threatening to post nude photos of her on the Internet. **Michael Mishler**, who pleaded guilty to charges of extortion and burglary, also was ordered to pay nearly $115,000 in restitution.

□

The 82-year-old actor **Anthony Quinn** has married his former secretary, **Kathy Bevin**, People magazine reported. The ceremony took place in Naples, Florida, and was attended by the couple's two children, **Antonia**, 4, and **Ryan**, 1. Quinn, who has been married twice previously, has fathered 13 children with five different women. Quinn and his previous wife, **Iolanda**, recently divorced after a 31-year marriage.

□

Luciano Pavarotti pulled out of two British concerts this week because of the flu. He was to have sung Verdi's "Requiem" at Birmingham's Symphony Hall Monday night and again with the Philharmonia at London's Royal Festival Hall on Wednesday. Pavarotti is being replaced by the French tenor **Roberto Alagna**. **Riccardo Muti**, the musical director of La Scala in Milan and a former Philharmonia principal conductor, released Alagna from two performances at La Scala to take part.

□

The English architect **David Chipperfield** has won the contract to rebuild Berlin's Neues Museum, which was destroyed in 1945. According to a spokesman for the museum, the $150 million project is to be completed in six to eight years after construction begins in the year 2000. The museum will exhibit part of the Egyptian collection of Berlin's museums. Earlier projects by Chipperfield include work at the Museum of Natural History in London as well as buildings in Tokyo and Kyoto, Japan, and Bristol, England.

□

Bob Dylan has come out with his most acclaimed album in 20 years. But is the 56-year-old singer-songwriter happy? "I think that it's hard to find happiness as a whole in anything," Dylan said in a recent interview. "The days of tender youth are gone. I think you can be delirious in your youth, but as you get older, things happen." Critics have described Dylan's new album "Time Out of Mind" as brooding and gloomy. "It's certainly not an album of felicity," he said. "I try to live within that line between despondency and hope."

□

Sydney Gruson, former vice chairman of The New York Times and a director emeritus of the International Herald Tribune, has been made an honorary doctor in laws by Trinity College, Dublin. Trinity College cited Gruson's influence and achievements as a journalist covering, among many major stories, Eastern Europe under Stalin. Gruson, currently a senior adviser at Rothschild Inc. in New York, was born in Ireland.

□

Leona Helmsley, the former New York hotel queen who spent time in prison for tax evasion, is asking $25 million for her estate in Paradise Valley, Arizona. That's five times the price for other luxury homes in the area and $19 million more than what she paid for the property a decade ago.

□

Johnny Carson, who retired in 1992 after 30 years as host of NBC's "The Tonight Show," recently donated $1 million to the cancer center in his home town of Norfolk, Nebraska, adding to hundreds of thousands of dollars he has given in the past. The latest donation will help pay for two new examination rooms and a treatment room at the Carson Regional Cancer Center.

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